

AGENDA

UTAH COUNTIES INDEMNITY POOL BOARD OF TRUSTEES MEETING

Thursday, December 17, 2015, 12:30 p.m.

Workers Compensation Fund Building, Board Room (Third Floor), 100 W Towne Ridge Pkwy, Sandy, UT

12:30	Open Meeting, Pledge of Allegiance	Bruce Adams
	Recess for Public Hearing on the 2016 UCIP Budget	Bruce Adams
	Reconvene	

ITEM	ACTION	
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1	Review/Excuse Board Members Absent	Bruce Adams
2	Review/Approve 2016 UCIP Budget	Bruce Adams
3	Review/Approve 2016 Member Contributions	Sonya White
4	Review/Approve Workers Compensation Fund 2016 Program	Johnnie Miller
5	Review/Approve October 22, 2015 Meeting Minutes	Karla Johnson
6	Ratification and Approval of Payments and Credit Card Transactions	Karla Johnson
7	Review/Approve 2015 Budget Amendments	Sonya White
8	Review/Approve County Related Entities Membership	Mike Wilkins
9	Review/Approve Employee Manual Amendments	Brad Dee
10	Review/Approve Cyber Liability Limits Endorsement	Johnnie Miller
11	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bruce Adams
12	Action on Personnel Matters	Brad Dee
13	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bruce Adams
14	Action on Litigation Matters	Dale Eyre
15	Set Date, Time and Place of Regular Meetings for 2016	Sonya White
16	Elect 2016 Officers of the Board	Bruce Adams

INFORMATION

17	Monthly Educational Training	Johnnie Miller
18	Chief Executive Officer's Report	Johnnie Miller
19	Other Business	Bruce Adams

Electronic Meeting Notice: 888-447-7153, Participant Passcode: 2261240 Ancor Location: 100 W Towne Ridge Pkwy, Sandy, UT

**BOARD OF TRUSTEES' MEETING
MINUTES**

December 17, 2015, 12:30 p.m.

Workers Compensation Fund Board Room
100 W Towne Ridge Pkwy, Sandy, Utah

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
Bret Millburn, *Vice President*, Davis County Commissioner
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor
Alma Adams, Iron County Commissioner
William Cox, Rich County Commissioner
Dale Eyre, Sevier County Attorney
Victor Iverson, Washington County Commissioner
James Kaiserman, Wasatch County Surveyor
Mark Whitney, Beaver County Commissioner
Mike Wilkins, Uintah County Clerk/Auditor

BOARD MEMBERS ABSENT

Kerry Gibson, Weber County Commissioner
Robert Dekker, Millard County Sheriff
Brad Dee, Weber County Human Resources Director

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Parker Boice, UCIP Assistant Chief Financial Officer
Blake Green, Vice President, Workers Compensation Fund

Call to Order

Bruce Adams called this meeting, of the Utah Counties Indemnity Pool's Board of Trustees, to order at 12:30 p.m. on December 17, 2015, and welcomed those in attendance.

Review/Excuse Board Members Absent

James Kaiserman made a motion to excuse Brad Dee, Robert Dekker and Kerry Gibson from this meeting. Alma Adams seconded the motion, which passed unanimously.

Review/Approve October 22, 2015 Meeting Minutes

The minutes of the Board of Trustees meeting held October 22, 2015 were previously sent to the Board Members for review (see attachment number one). Alma Adams made a motion to approve the October 22, 2015 Board of Trustees meeting minutes as written. Dale Eyre seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Karla Johnson reported that she has reviewed the payments made, the payments to be made and the credit card transactions of the Pool as of October 23, 2015 through December 17, 2015 (see attachment number two). Mike Wilkins made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Alma Adams seconded the motion, which passed unanimously.

Recess for Public Hearing on 2016 UCIP Budget

William Cox made a motion for the Board of Trustees to recess at 12:30 p.m. on December 17, 2015 for a scheduled Public Hearing to review the Utah Counties Indemnity Pool's 2016 Budget (see attachment number one). James Kaiserman seconded the motion, which passed unanimously. Present at the public hearing were: Alma Adams, Bruce Adams, William Cox, Dale Eyre, Victor Iverson, Karla Johnson, James Kaiserman, Bret Millburn, Mark Whitney and Mike Wilkins. Also present were: Parker Boice, Blake Green, Johnnie Miller and Sonya White.

Alma Adams made a motion to close the public hearing and reconvene the Board of Trustees meeting at 12:40 p.m. on December 17, 2015. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve 2016 UCIP Budget

Sonya White reviewed with the Board a comparison of the preliminary 2016 Budget (approved June 5, 2015) to the proposed final (see attachment number three). Contributions are proposed to be increased due to two new Pool Members. Other Income is proposed to be reduced due to the management fee for vision benefits ending. Reinsurance Expense is proposed to be increased for the addition of two new Members. Administration Expense is proposed to be adjusted based on the year ending 2015 actual expenses including the cost of the new online training program, LocalGovU. Johnnie Miller reviewed a proposal from PwC (PricewaterhouseCoopers) LLP with the Board (see attachment number four). PwC provides entities with a *Target Fund Balance Review and Analysis*. This type of financial study may assist the Board with its surplus goals for the Pool. Beginning February 2016, the Pool will not have a rent expense, only a share of the utilities, at the Utah Association of Counties' building. Therefore, the Board has enough in the budget to have the funds for the PwC study. Karla Johnson made a motion to approve the 2016 UCIP Budget as presented. William Cox seconded the motion, which passed unanimously. Sonya White reviewed the final 2016 contributions by Member with the Board (see attachment number five). Sonya White provided the Board with an email correspondence from Jordan Mathis, TriCounty Health Department's Director (see attachment number six). The Department notified the Pool on December 15 that they were pursuing their 'insurance' needs elsewhere. Proper written notice was explained to Mr. Mathis and Johnnie Miller will be meeting with the Director on December 30 to discuss their needs and continued membership in the Pool. Karla Johnson made a motion to approve the final 2016 contributions as presented. Alma Adams seconded the motion, which passed unanimously.

Review/Approve 2016 Workers Compensation Fund Program

Johnnie Miller reviewed the 2016 estimated workers compensation premiums with the Board (see attachment number seven). The road classification rate increased from 2.80 to 3.11. The firefighter classification rate increased from 3.48 to 3.54. The clerical classification rate increased from 0.15 to 0.17. The county classification rate increased from 2.45 to 2.61. Blake Green explained that nationally the number of workplace injuries has steadily declined but the severity of injuries and the number of fatalities continues to increase each year. Johnnie Miller explained that as shown in many of the lower experience modification factors, UCIP members continue to utilize training available to them through UCIP, Workers Compensation Fund and the Utah Safety Council. Karla Johnson stated that in the audit of Kane County, conducted by the Internal Revenue Service, UCIP's Risk Awareness Program (RAP) was certified as a safety achievement by the County's participation in the program. Karla Johnson made a motion to approve the 2016 Workers Compensation Fund program as presented. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve 2015 Budget Amendments

Sonya White reviewed the proposed amendments to the 2015 Budget with the Board (see attachment number eight). Revenues are higher than budgeted with the addition of new members and better than projected interest income. Underwriting Expense is lower than budgeted due to the amount of loss payments. Administrative Expense is lower than budgeted due to lower than expected professional fees. Karla Johnson made a motion to approve the 2015 Budget Amendments as presented. Dale Eyre seconded the motion, which passed unanimously.

Review/Approve County Related Entity Membership

Mike Wilkins reported that the Membership Approval Committee met to review the application of the Five County Association of Governments (AOG) (see attachment number nine). The Committee recommends that the Board approve the non-equity, non-voting membership of Five County AOG. Alma Adams made a motion to approve the county related entity membership of the Five County Association of Governments. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve Employee Manual Amendments

In the absence of the Chair of the Personnel Committee, Mark Whitney made a motion to table item: *Review/Approve Employee Manual Amendments* until the next Board meeting. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve Cyber Liability Limits Endorsement

Johnnie Miller explained that Davis County purchased increased cyber liability limits excess of the Pool's \$1,000,000 limit through County Reinsurance Limited (CRL). For UCIP's 2016 program, CRL increased UCIP's limit so members requesting higher limits will not have to obtain a separate policy. By endorsement, only the Limits of Liability section of the Cyber Liability and Expense Coverage is amended. William Cox made a motion to approve the Cyber Liability Limits Endorsement as written. Mike Wilkins seconded the motion, which passed unanimously. Johnnie Miller stressed to the Board the need members may have for higher limits. Mike Wilkins directed management to resend the information notifying the auditors, commissioners/council members and risk coordinators of the rates for higher limits available through UCIP.

Set Date and Time for Closed Meeting

James Kaiserman made a motion to strike agenda item: *Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Mike Wilkins seconded the motion, which passed unanimously.

Action on Personnel Matters

Johnnie Miller reported that a Cost of Living Adjustment (COLA) was built into the 2016 Budget. Based on the Consumer Price Index, for the Salt Lake County area, Karla Johnson made a motion approving a 0.95 COLA increase for UCIP employees. Mike Wilkins seconded the motion. Bret Millburn discussed the option of increasing the COLA increase to 1.00. Karla Johnson and Mike Wilkins amended their motion approving a 1.00 COLA increase for UCIP employees. The motion passed unanimously.

Set Date and Time for Closed Meeting

Dale Eyre made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation*. William Cox seconded the motion, which passed unanimously.

Action on Litigation Matters

Dale Eyre made a motion to strike agenda item: *Action on Litigation Matters*. William Cox seconded the motion, which passed unanimously.

Set Date, Time and Place of Regular Meetings for 2016

Sonya White provided the Board with a draft of the public notice for the regular meeting schedule of the Board of Trustees of UCIP (see attachment number 10). James Kaiserman made a motion to approve the 2016 Regular Meeting Schedule of the Board of Trustees. Mike Wilkins seconded the motion, which passed unanimously.

Elect 2016 Officers of the Board

Mike Wilkins made a motion to elect, by acclamation, Bruce Adams as President, Bret Millburn as Vice President and Karla Johnson as Secretary/Treasurer of the UCIP Board of Trustees. William Cox seconded the motion, which passed unanimously.

Monthly Educational Training

Johnnie Miller provided training to the Board based on the Cyber Liability endorsement.

Chief Executive Officer's Report

Johnnie Miller provided a brief report on the risk management efforts he has been providing to members since the last meeting.

Other Business

The next meeting of the Board of Trustees will be held Thursday, February 18, 2016, 12:30 p.m. at the UAC/UCIP Offices, 5397 S Vine, Murray, Utah. Lunch will be provided prior to the meeting at 12:00 noon.

Prepared by:



Sonya White, UCIP Chief Financial Officer

Submitted on this _____ day of _____ 2016



Mike Wilkins, Board Member

Approved on this _____ day of _____ 2016



Bruce Adams, President

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Notice Saved Successfully

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Notice Title: Board of Trustees Meeting
 Government Type: Special Districts
 Entity: Utah Counties Indemnity Pool
 Body Name: Board of Trustees
 Notice Subject: Administrative Services
 Notice Type: Notice, Meeting, Hearing
 Street Address: 100 W Towne Ridge Pkwy
 Street Address continued:
 City: Sandy
 Zip: 84070
 Start Date: 12/17/15 12:30 PM
 End Date: 12/17/15 3:30 PM
 Description / Agenda: Open Meeting, Pledge of Allegiance
 Recess for Public Hearing on the 2016 UCIP Budget
 Reconvene
 Review/Excuse Board Members Absent
 Review/Approve 2016 UCIP Budget
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 Action on Personnel Matters
 Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation
 Action on Litigation Matters
 Set Date, Time and Place of Regular Meetings for 2016
 Elect 2016 Officers of the Board
 Monthly Educational Training
 Chief Executive Officer's Report
 Other Business

ADA: In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, 5397 S Vine St, Murray, UT 84107-6757, or call 800-339-4070, at least three days prior to the meeting.

Electronic Participation: Any Member of the Utah Counties Indemnity Pool Board of Trustees may participate telephonically. The anchor location for this meeting is: 100 W Towne Ridge Pkwy, Sandy, UT

Other:

Emergency Notice: No

Send copy of notice to:

Audio File Location:

Attachments: There are attachments associated with this notice.

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Entity: Utah Counties Indemnity Pool

Body: Board of Trustees

Subject:	Administrative Services
Notice Title:	Board of Trustees Meeting
Meeting Location:	100 W Towne Ridge Pkwy Sandy 84070
Event Date & Time:	December 17, 2015 12:30 PM - 3:30 PM
Description/Agenda:	<p>Open Meeting,</p> <p>Pledge of Allegiance</p> <p>Recess for Public Hearing on the 2016 UCIP Budget</p> <p>Reconvene</p> <p>Review/Excuse Board Members Absent</p> <p>Review/Approve 2016 UCIP Budget</p> <p>Review/Approve 2016 Member Contributions</p> <p>Review/Approve Workers Compensation Fund 2016 Program</p> <p>Review/Approve October 22, 2015 Meeting Minutes</p> <p>Ratification and Approval of Payments and Credit Card Transactions</p> <p>Review/Approve 2015 Budget Amendments</p> <p>Review/Approve County Related Entities Membership</p> <p>Review/Approve Employee Manual Amendments</p> <p>Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual</p> <p>Action on Personnel Matters</p> <p>Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation</p> <p>Action on Litigation Matters</p> <p>Set Date, Time and Place of Regular Meetings for 2016</p> <p>Elect 2016 Officers of the Board</p> <p>Monthly Educational Training</p> <p>Chief Executive Officer's Report</p> <p>Other Business</p>

Notice of Special

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties

Accommodations:

Indemnity Pool, 5397 S Vine St, Murray, UT 84107-6757, or call 800-339-4070, at least three days prior to the meeting.

Notice of Electronic or telephone participation:

Any Member of the Utah Counties Indemnity Pool Board of Trustees may participate telephonically. The anchor location for this meeting is: 100 W Towne Ridge Pkwy, Sandy, UT

Other information:**Contact Information:**

Sonya White
801-565-8500
sonya@ucip.utah.gov

Posted on:

December 11, 2015 09:14 AM

Last edited on:

December 11, 2015 09:14 AM

Printed from Utah's Public Notice Website (<http://pmn.utah.gov/>)

Utah Counties Indemnity Pool
Payments
October 23 - December 31, 2015

Type	Date	Num	Name	Memo	Amount
500-000000-10010100 WFMLE					
Total 500-000000-10010100 WFMLE					
500-000000-10010100 ZionsHRA					
Check	10/31/2015			Service Charge	-0.50
Check	12/09/2015	BILLPAY	Sonya White	2015 HRA	-500.00
Check	12/09/2015	BILLPAY	Lisa Brown	2015 HRA	-507.59
Check	12/09/2015	BILLPAY	Korby Siggard	2015 HRA	-500.00
Check	12/16/2015	BILLPAY	Parker Boice	HRA Reimbursement Oct-Dec 2015	-125.10
Total 500-000000-10010100 ZionsHRA					
					-1,633.19
500-000000-10010100 ZionsMLC					
Check	10/30/2015	ACH	Dunn & Dunn, P.C.	Invoice: 37543	-31,860.44
Check	10/30/2015	ACH	Mylar Law, PC	Invoice: 20150060	-7,594.30
Check	10/30/2015	ACH	Mylar Law, PC	Invoice: 20150062	-4,723.85
Check	10/30/2015	ACH	Mylar Law, PC	Invoice: 20150063	-9,267.00
Check	10/30/2015	ACH	Mylar Law, PC	Invoice: 20150065	-428.00
Check	10/30/2015	ACH	Stirba, P. C.	Invoice: 01015002	-9,341.41
Check	10/30/2015	ACH	Stirba, P. C.	Invoice: 01003025	-7,991.32
Check	10/30/2015	ACH	Stirba, P. C.	Invoice: 01017011	-13,689.89
Check	10/30/2015	ACH	Strong & Hanni	Invoice: 147777	-8,082.90
Check	10/30/2015	ACH	Strong & Hanni	Invoice: 147774	-5,039.45
Check	10/30/2015	ACH	Strong & Hanni	Invoice: 147775	-10,494.04
Check	10/30/2015	ACH	Strong & Hanni	Invoice: 147776	-5,722.95
Check	10/30/2015	ACH	VeriClaim, Inc.	Invoice: B025103594	-553.50
Check	10/30/2015	ACH	Wasatch County	Claim: WAT0000042015	-10,846.50
Check	10/30/2015	ACH	Weber County	Claim: WEB0000082015	-13.00
Check	11/04/2015	BILLPAY	American Family Insurance	Claim: DAV0000072015	-790.67
Check	11/04/2015	BILLPAY	Daniel Yeaman	Claim: DAV0000082015	-233.61
Check	11/04/2015	BILLPAY	Emery County	Claim: EME0000032015	-1,146.00
Check	11/04/2015	BILLPAY	Jayne E Clark, MD	Claim: DAG0000212010	-9,216.66
Check	11/04/2015	BILLPAY	John Knippa, PhD, ABN	Invoice: 15100613	-8,694.40
Check	11/04/2015	BILLPAY	Ralph Johnson	Claim: EME0000022015	-1,888.30
Check	11/04/2015	BILLPAY	San Juan County	Claim: SAJ0000042015	-1,389.43
Check	11/06/2015	ACH	Frontier Adjusters, Inc.	Invoice: T549954	-181.00
Check	11/06/2015	ACH	Garfield County	Claim: GAR0000032015	-3,649.28
Check	11/06/2015	ACH	Hutton Law Associates, P.C.	Invoice: 00140	-9,312.92
Check	11/06/2015	ACH	Hutton Law Associates, P.C.	Invoice: 00141	-9,775.00
Check	11/06/2015	ACH	Hutton Law Associates, P.C.	Invoice: 00142	-6,894.99
Check	11/06/2015	ACH	Mylar Law, PC	Invoice: 2015 0070	-6,675.30
Check	11/06/2015	ACH	Mylar Law, PC	Invoice: 2015 0071	-5,697.68
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286193	-2,913.43
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286193	-2,913.43
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286194	-5,260.73
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286197	-2,852.27
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286042	-192.86
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286200	-155.00
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286046	-112.50
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286202	-3,610.14
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286203	-2,036.63
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286205	-1,974.55
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286207	-3,841.45
Check	11/06/2015	ACH	Suitter Axland	Invoice: 1286208	-2,606.25
Check	11/06/2015	ACH	Weber County	Claim: WEB0000072015	-1,906.33
Check	11/10/2015	BILLPAY	Samantha Buhl	Claim: BOX0000012015	-1,244.19
Check	11/10/2015	BILLPAY	Washington County	Claim: WAS0000042015	-9,235.00
Check	11/10/2015	BILLPAY	Wayne County	Claim: WAY0000012015	-1,802.25
Check	11/23/2015	ACH	Dunn & Dunn	Invoice: 37551	-1,687.50
Check	11/23/2015	ACH	Frontier Adjusters, Inc.	Invoice: T553033	-416.20
Check	11/23/2015	ACH	Mylar Law, PC	Invoice: 20150072	-3,730.00
Check	11/23/2015	ACH	Mylar Law, PC	Invoice: 20150074	-5,008.25
Check	11/23/2015	ACH	Mylar Law, PC	Invoice: 20150073	-6,471.50
Check	11/23/2015	ACH	Stirba, P. C.	Invoice: 01002003	-428.40
Check	11/23/2015	ACH	Stirba, P. C.	Invoice: 01015003	-9,228.35
Check	11/23/2015	ACH	Stirba, P. C.	Invoice: 01017012	-9,612.31
Check	11/25/2015	BILLPAY	Adam Schwebach, Inc.	Invoice: 1	-1,025.00
Check	11/25/2015	BILLPAY	Auto Farm	Invoice: R1175	-125.00
Check	11/25/2015	BILLPAY	Christensen & Jensen	Invoice: 83218	-3,486.00
Check	11/25/2015	BILLPAY	Christensen & Jensen	Invoice: 83219	-5,536.94
Check	11/25/2015	BILLPAY	Christensen & Jensen	Invoice: 83220	-2,386.53
Check	11/25/2015	BILLPAY	John Young	Claim: SAJ0001242014	-1,412.36
Check	11/25/2015	BILLPAY	Sanpete County	Claim: SAN0000012015	-2,157.50
Check	11/25/2015	BILLPAY	Sanpete County	Claim: SAN0000022015	-5,230.00
Check	12/04/2015	ACH	Dunn & Dunn	Invoice: 37553	-10,332.73
Check	12/04/2015	ACH	Frontier Adjusters, Inc.	Invoice: T554162	-181.00
Check	12/04/2015	ACH	Frontier Adjusters, Inc.	Invoice: T553979	-959.50
Check	12/04/2015	ACH	Hutton Law Associates, P.C.	Invoice: 00143	-270.00
Check	12/04/2015	ACH	Hutton Law Associates, P.C.	Invoice: 00144	-6,898.52
Check	12/04/2015	ACH	Mylar Law, PC	Invoice: 20150076	-9,016.50
Check	12/04/2015	ACH	Mylar Law, PC	Invoice: 20150079	-7,949.00
Check	12/04/2015	ACH	Mylar Law, PC	Invoice: 20150080	-4,085.72
Check	12/04/2015	ACH	Suitter Axland	Invoice: 1286329	-3,519.40
Check	12/04/2015	ACH	Suitter Axland	Invoice: 1286332	-2,621.04

Utah Counties Indemnity Pool

Payments

October 23 - December 31, 2015

Type	Date	Num	Name	Memo	Amount
Check	12/04/2015	ACH	Suitter Axland	Invoice: 1286334	-7,318.87
Check	12/04/2015	ACH	Suitter Axland	Invoice: 1286335	-2,084.80
Check	12/04/2015	ACH	Suitter Axland	Invoice: 1286338	-2,081.25
Check	12/04/2015	ACH	Suitter Axland	Invoice: 1286201	-1,093.65
Check	12/04/2015	ACH	Suitter Axland	Invoice: 1286342	-2,056.25
Check	12/04/2015	ACH	Weber Human Services	Claim: WHS0000032015	-578.00
Check	12/07/2015	BILLPAY	Robert J Deby & Associates	Claim: DAG0000212010	-88,156.59
Check	12/07/2015	BILLPAY	Jessica Staton	Claim: DAV0000102015	-1,752.56
Check	12/07/2015	BILLPAY	Rock Run Physical Therapy and Reh...	Claim: WHS000012015	-615.17
Check	12/07/2015	BILLPAY	Wayne County	Claim: WAY0000032015	-2,398.11
Check	12/14/2015	ACH	Beaver County	Claim: BEA0000012015	-2,015.75
Check	12/14/2015	ACH	Frontier Adjusters, Inc.	Invoice: T5556327	-115.05
Check	12/14/2015	ACH	Mylar Law, PC	Invoice: 20150084	-2,104.00
Check	12/14/2015	ACH	Mylar Law, PC	Invoice: 20150085	-4,243.90
Check	12/14/2015	ACH	Strong & Hanni	Invoice: 149489	-5,864.20
Check	12/14/2015	ACH	Strong & Hanni	Invoice: 149490	-1,562.70
Check	12/14/2015	ACH	Strong & Hanni	Invoice: 149491	-6,424.80
Check	12/14/2015	ACH	Strong & Hanni	Invoice: 149492	-9,687.70
Check	12/16/2015	BILLPAY	Christensen & Jensen	Invoice: 83404	-3,249.21
Check	12/16/2015	BILLPAY	Christensen & Jensen	Invoice: 83403	-2,677.57
Check	12/16/2015	BILLPAY	Christensen & Jensen	Invoice: 83402	-2,776.96
Check	12/16/2015	BILLPAY	Christensen & Jensen	Invoice: 83401	-2,894.17
Check	12/16/2015	BILLPAY	Daggett County	Claim: DAG0000362015	-484.85
Check	12/16/2015	BILLPAY	Dennis Winters MD	Claim: WHS0000012015	-222.00
Check	12/16/2015	BILLPAY	Derek Becker	Claim: WAT0000062015	-3,057.56
Check	12/16/2015	BILLPAY	Hilder/McCosh PC	Invoice: A1502	-2,200.00
Check	12/16/2015	BILLPAY	MAACO Collision Repair and Auto P...	Claim: DAV0000102015	-396.18
Check	12/16/2015	BILLPAY	RL Miller Interstate Auto Truck Center	Claim: BOX000022015	-409.53
Check	12/16/2015	BILLPAY	San Juan County	Claim: SAJ0000052015	-52,983.33
Check	12/16/2015	BILLPAY	Uintah County	Claim: UIN0000022015	-2,516.71
Check	12/16/2015	BILLPAY	Washington County	Claim: WAS0000052015	-12,114.50
Check	12/17/2015	ACH	Duchesne County	Claim: DUC0000032015	-1,290.52
Check	12/17/2015	ACH	Durham Jones & Pinegar	Invoice: 491988	-1,183.50
Check	12/17/2015	ACH	Durham Jones & Pinegar	Invoice: 491989	-878.57
Check	12/17/2015	ACH	Durham Jones & Pinegar	Invoice: 491987	-9.30
Check	12/17/2015	ACH	Frontier Adjusters, Inc.	Invoice: T558840	-393.75
Check	12/17/2015	ACH	Kane County	Claim: KAN0000022015	-38,422.00
Check	12/17/2015	ACH	Mylar Law, PC	Invoice: 21050086	-3,357.20
Check	12/17/2015	ACH	Mylar Law, PC	Invoice: 20150087	-2,790.61
Check	12/17/2015	ACH	Mylar Law, PC	Invoice: 20150088	-5,148.00
Check	12/21/2015	BILLPAY	Kings Medical Imaging, Layton	Invoice: 11940B	-1,984.83
Check	12/21/2015	BILLPAY	Enterprise Rent-A-Car, Inc.	Invoice: 31GYBX	-140.64
Check	12/21/2015	BILLPAY	Washington County	Claim: WAS0002342014	-102,728.48
					-722,089.37

Total 500-000000-10010100 ZionsMLC

500-000000-10010100 ZionsMLE

Liability Check	10/28/2015	ONLINE	Utah Retirement Systems	Confirmation Number: 102717239146	-8,159.25
Liability Check	10/28/2015	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270570122252640	-3,620.90
Liability Check	10/28/2015	ONLINE	Utah State Tax Commission	Confirmation Number: 0-258-251-008	-1,486.58
Liability Check	10/29/2015		QuickBooks Payroll Service	Created by Payroll Service on 10/27/2015	-12,072.16
Liability Check	10/29/2015	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,245.61
Liability Check	10/30/2015	ACH	Public Employees Health Program	Invoice Number: 0121611585	-6,074.65
Check	10/30/2015	ACH	PEHP-LTD	Coverage Period: OCT 2015	-202.06
Bill Pmt -Check	10/30/2015	ACH	Arthur J. Gallagher & Co.	Invoice: 1512278	-2,250.00
Check	10/30/2015	ACH	Mark Whitney	Mileage Reimbursement	-231.15
Check	10/30/2015	ACH	James Kaiserman	Mileage Reimbursement	-55.20
Check	10/30/2015	ACH	Alma Adams	Expense Reimbursement	-259.36
Check	10/30/2015	ACH	Karla Johnson	Mileage Reimbursement	-345.00
Check	10/30/2015	ACH	Victor Iverson	Mileage Reimbursement	-339.25
Check	10/31/2015			Service Charge	-111.64
Bill Pmt -Check	11/02/2015	ACH	Western AgCredit	Invoice: 11-2015	-10,483.40
Bill Pmt -Check	11/02/2015	ACH	Gallagher Bassett Services, Inc.	Invoice: 14983	-138.00
Check	11/04/2015	BILLPAY	Bret Millburn	Mileage Reimbursement	-28.75
Check	11/04/2015	BILLPAY	Brad Dee	Mileage Reimbursement	-51.18
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Bill Pmt -Check	11/04/2015	BILLPAY	House of Blinds	Invoice: 63981	-286.00
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Bill Pmt -Check	11/04/2015	BILLPAY	Jami Brackin	UPS Expense Reimbursement	-647.61
Check	11/09/2015	ACH	Johnnie Miller	Expense Reimbursement - Nov 10-19	-664.50
Check	11/09/2015	ACH	Korby Siggard	Expense Reimbursement - Oct 6 - Nov 19	-944.10
Check	11/09/2015	ACH	Lisa Brown	Expense Reimbursement - Nov 10-19	-377.00
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Bill Pmt -Check	11/12/2015	BILLPAY	Matthew Spohn	Airfare Reimbursement UAC	-398.20
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Bill Pmt -Check	11/23/2015	ONLINE	Bankcard Center	Confirmation Number: 15112102659093	-1,217.33

Utah Counties Indemnity Pool
Payments
October 23 - December 31, 2015

Type	Date	Num	Name	Memo	Amount
Check	11/24/2015	ACH	PEHP-LTD	Coverage Period: NOV 2015	-200.01
Liability Check	11/24/2015	ACH	Public Employees Health Program	Invoice Number: 0121649117	-5,626.31
Liability Check	11/24/2015	ACH	Opticare of Utah	Invoice: 74356	-61.90
Bill Pmt -Check	11/24/2015	ACH	Revco Leasing Company, LLC	Invoice: 408512	-435.91
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Liability Check	11/24/2015	ACH	Les Olson Company	Invoice: EA620140	-74.55
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Liability Check	11/27/2015	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270573170863981	-3,623.80
Liability Check	11/27/2015	ONLINE	Utah State Tax Commission	Confirmation: 1-784-649-984	-1,466.37
Bill Pmt -Check	11/27/2015	BILLPAY	Nationwide Retirement Solutions	Entity: 0036786001	-2,245.61
Bill Pmt -Check	11/27/2015	BILLPAY	Christensen & Jensen	Invoice Number: 83222	-4,206.66
Bill Pmt -Check	11/27/2015	BILLPAY	Office Depot	35538769	-73.01
Check	11/30/2015	BILLPAY	Office Depot	35538769	-10.54
Liability Check	12/03/2015	ONLINE	Utah Retirement Systems	Service Charge	-138.73
Bill Pmt -Check	12/07/2015	ACH	Gallagher Bassett Services, Inc.	Confirmation Number: 12033953432	-8,077.94
Bill Pmt -Check	12/07/2015	ACH	Western AgCredit	Invoice: 14999	-204.00
Bill Pmt -Check	12/07/2015	ONLINE	American Express	Invoice: 12-2015	-10,483.40
Check	12/09/2015	BILLPAY	Bruce Adams	3-41009	-12,871.60
Bill Pmt -Check	12/09/2015	BILLPAY	Salt Lake County Recorder's Office	Mileage Reimbursement	-345.00
Bill Pmt -Check	12/09/2015	BILLPAY	Society of CIC	UCIP Quit-Claim Deed Filing Fee	-11.00
Check	12/09/2015	BILLPAY	Sonya White	Aliance Member: 1039119	-100.00
Liability Check	12/13/2015	ONLINE	United States Treasury	Expense Reimbursement - Nov	-40.00
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Liability Check	12/14/2015	ACH	Opticare of Utah	Created by Payroll Service on 12/03/2015	-12,156.14
Bill Pmt -Check	12/14/2015	ACH	Arthur J. Gallagher & Co.	Invoice: 75654	-61.90
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Bill Pmt -Check	12/14/2015	ACH	Revco Leasing Company, LLC	Invoice: 01014323749	-10,002.00
Liability Check	12/14/2015	ONLINE	Bankcard Center	Invoice: 412014	-498.34
Bill Pmt -Check	12/15/2015	ONLINE	Nationwide Retirement Solutions	Confirmation Number: 15061077081556	-724.01
Bill Pmt -Check	12/16/2015	BILLPAY	Professional Yard Services	Entity: 0036786001	-2,245.61
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Bill Pmt -Check	12/16/2015	BILLPAY	Christensen & Jensen	Invoice: 6770	-976.25
Liability Check	12/17/2015	ACH	Public Employees Health Program	Invoice Number: 83408	-4,286.40
Check	12/17/2015	ACH	PEHP-LTD	Invoice Number:	-5,626.31
Check	12/21/2015	BILLPAY	Johnnie Miller	Coverage Period: DEC 2015	-204.15
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Liability Check	12/28/2015	ONLINE	Utah Retirement Systems	35538769	-41.05
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Liability Check	12/28/2015	ONLINE	Utah State Tax Commission	EFT ACKNOWLEDGEMENT NUMBER: 2705762627817...	-3,718.22
Liability Check	12/30/2015	ONLINE	QuickBooks Payroll Service	Confirmation: 0-183-851-264	-1,510.79
				Created by Payroll Service on 12/13/2015	-12,363.07
Total 500-000000-10010100 ZionsMLE					-216,233.71
TOTAL					-939,956.27

UTAH COUNTIES INDEMNITY POOL B U D G E T

	Preliminary 2016	For Approval 2016
Revenue		
Contributions	5,784,423	\$ 5,823,876
Investment Income	50,000	50,000
Other Income	15,000	5,000
Total Income	<u>5,849,423</u>	<u>5,878,876</u>
Underwriting Expense		
Losses and Loss Adjustment Expenses	3,200,000	3,200,000
Reinsurance Expense	1,550,000	1,600,000
Total Underwriting Expenses	<u>4,750,000</u>	<u>4,800,000</u>
Administrative Expense		
Trustees	40,000	45,000
Office	175,000	125,000
Financial	100,000	125,000
Personnel	675,000	675,000
Depreciation	15,000	13,000
Public Relations	10,000	10,000
Risk Management	45,000	55,000
Total Administrative Expenses	<u>1,060,000</u>	<u>1,048,000</u>
Total Operating Expense	<u>5,810,000</u>	<u>5,848,000</u>
Change in Net Position	<u>\$ 39,423</u>	<u>\$ 30,876</u>



Mr. Johnnie R. Miller, ARM-P, CIC
Chief Executive Officer
Utah Counties Indemnity Pool
5397 South Vine Street
Murray, UT 84107

Via Email: jmiller@ucip.utah.gov

December 2, 2015

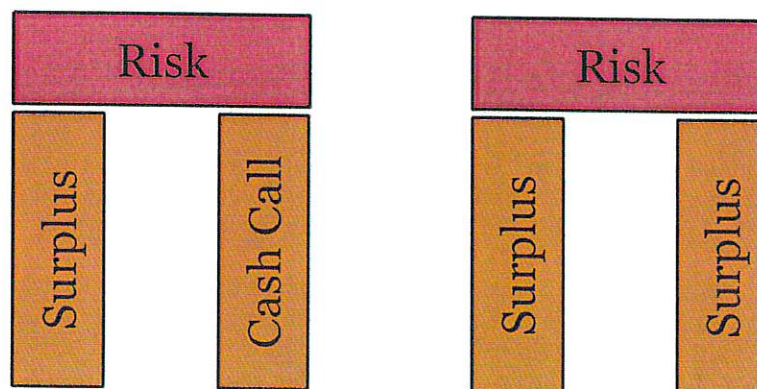
Dear Mr. Miller,

PricewaterhouseCoopers LLP (PwC) appreciates the opportunity to assist Utah Counties Indemnity Pool (UCIP or the "Pool") in with a "Target Fund Balance Review & Analysis."

Per your request, we have prepared the following proposal which outlines our approach to this project. The results of the study can be used as a basis for establishing the target fund balance level of the Pool. In addition, it will provide a clear perspective for some of the ongoing key financial decisions of the program such as determining rate levels, potential dividends, efficient use of reinsurance, and investment strategy.

Point of view

There are two very distinct business models that have emerged in the pooling industry with respect to the fund balance, or "surplus" question. Risk is supported by "capital" but capital can come in two forms:



The model on the left represents traditional pooling, where contributions are effectively deposits and funding shortfalls are collected through retrospective assessments. The model on the right represents the evolving goals of many pools today where there is true member risk transfer to the pool and retrospective assessments are not intended to be a part of the funding mechanism.



As pools make this transition, we find that many of them struggle with determining the appropriate level of fund balance to target. Common approaches currently being used such as reserve confidence levels, financial ratios (IRIS) and risk-based capital formulas tend to understate the capital requirements. As such, they can lead to a false sense of security and a less informed decision-making process.

The “capital modeling” approach we have performed for many other leading pools across the country is different in that all major financial risks of the program are considered. The output of the model is a measurement of a pool’s specific risk profile. Such models have been used for some time in the broader insurance industry, but their use in a pooling context is only fairly recent.

The output of this process provides a framework to address the “target fund balance” and thus determine whether the current funding is adequate, deficient or excessive. In addition, it provides insight into the capital requirements for specific aspects or potential changes in your operations and how such capital requirements can be better managed.

Examples of issues addressed

The process is designed to facilitate informed decision making to ensure the program is operating efficiently and consistently with its goals. Examples of issues that can be addressed by the capital modeling approach that we are using include the following:

1. The member expectations from pools have increased. Pool members today expect full risk transfer (i.e. no cash call) at a stable price. While the Pool regularly monitors its financial health through various historical metrics, the capital need based on all the major risks that are taken on by the Pool has not been measured. The study will directly address this funding adequacy question and provide a framework to evaluate the funding adequacy. Thus more informed decisions regarding matters such as dividends/rate changes can be made.
2. Without valid support or perspective on the current capital level, there is a risk that either internal or external stakeholders may fill this information void and define the capital requirements in a manner inconsistent with the Pool’s financial objectives. The study would demonstrate that the capital question is an issue that the Pool has considered, and that the Pool is managed so that there is an appropriate balance between sufficient funding to maintain rate stability while recognizing the other financial demands of the members/owners.
3. Pools annually make many financial decisions that affect their risk and thus their capital requirements. Substantial dollars are spent annually on excess insurance and reinsurance – essentially the “renting of capital”. One option to reduce this expense would be to raise the retention level of the program. But a higher retention level results in more risk and thus greater capital requirements. This study will measure the additional capital required with higher retentions to facilitate a risk based decision framework.
4. The overall capital modeling process is a systematic review whereby the major financial risks of the program are identified and quantified. In all likelihood, many of these risks have not yet been experienced by the Pool, but the program is not immune to them. There is a point of view that

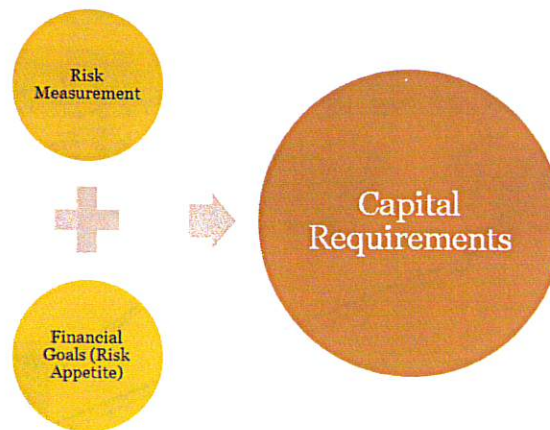


argues that “black swan” or unpredictable events are often predictable surprises that entities do not recognize as they only look at their own history. This systematic review of the program’s risks, whether or not they have been experienced, can lead to improved processes that can mitigate the potential damage to the program.

Overall approach

Our overall approach leverages recent advances in the broader insurance industry related to the question of the appropriate amount of capital required to support the risks to which a program is exposed. Under this capital modeling approach, the funding requirements of the program result from an economic model with the key primary inputs being:

1. A comprehensive risk measurement process of the various demands on capital and the interdependence of such risks, and;
2. Funding objectives (i.e., risk appetite) as defined by management and the oversight board, with context provided by the consultant.



The results of the study can be used as the basis for developing target surplus levels. Key financial decisions of the program, such as whether to issue a dividend, to include an equity contribution amount in the rates, or to change a self-insured retention or investment mix, can be measured against this policy.



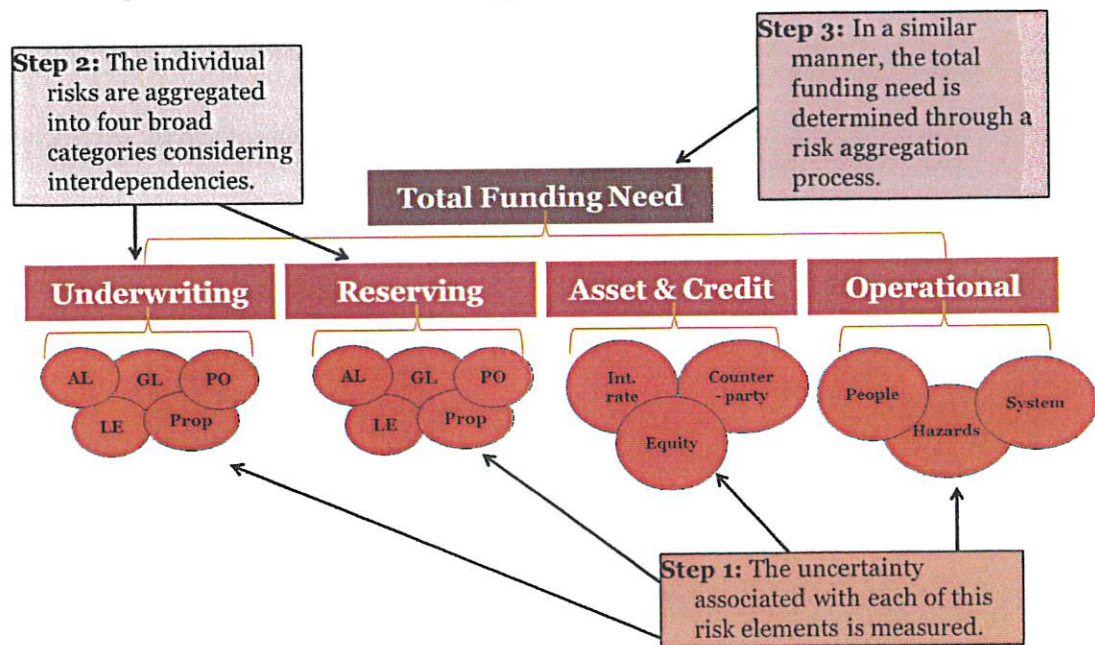
Process

The two major steps to this review are quantification of risks and development of surplus targets.

Quantification (Risk Measurement)

The following diagram below provides an illustration of the capital modeling process used by PwC.

Capital Modeling Process



The circles in the diagram represent individual risks, or potential demands on surplus. As a first step, each of these specific risks is independently measured. These individual risks are then aggregated into four broader risk categories commonly used in the industry (Underwriting, Reserving, Asset & Credit, and Operational). Lastly, the overall funding need is determined from the aggregation of risks from the four categories. When aggregating across coverages, sub-categories and major categories, correlation and diversification is considered; simply summing across may be an unduly pessimistic assumption (i.e. 1-in-250 year underwriting event will occur at the same time as 1-in-250 year asset risk event).



The following table illustrates the types and sources of risks that are covered in each risk category and typical quantification techniques.

Underwriting	Reserving	Asset & Credit	Operational
Risk that the next year's business result may deviate from budget	Risk that the eventual loss & expense may exceed booked reserves	Risk that the value of investment asset and receivables may decrease	Any other unplanned expense that may arise from operation
<ul style="list-style-type: none"> ▪ Unexpected increase in frequency and severity ▪ Catastrophe events ▪ Systemic losses (e.g. financial crisis) 	<ul style="list-style-type: none"> ▪ Excessive inflation ▪ Judicial environment on certain claim types ▪ Latent claims, etc. ▪ Case reserving practice 	<ul style="list-style-type: none"> ▪ Interest rate and unrealized losses ▪ Equity market ▪ Third party default (e.g. reinsurer) 	<ul style="list-style-type: none"> ▪ Catastrophes ▪ People related (turn over, fraud, etc) ▪ System and process failure, etc.
Statistical analysis of historical data on individual gross claims and relevant external data	Statistical analysis of historical claims triangle and relevant external data	Analysis of economic drivers (interest rate, stock market index, etc) and the Fund's asset & credit profile (bond duration, exposure concentration, reinsurer rating)	Stress testing based on the Fund's experience, industry experience and discussions with management

These are all potential demands on surplus, and as such need to be considered when measuring the surplus requirements of a pool.

Financial Goals (Risk Appetite)

The capital target is based on the Fund's financial goals measured against the risks of the program. As a result of the quantification stage, a matrix showing the required fund level at different thresholds and alternative program structures will be developed. A sample structure of such a matrix is shown below.

Scenario	Total Fund Need:				
	1-in-10	1-in-50	1-in-100	1-in-250	1-in-500
Current Risk Profile					
Increase Retention					
Investment mix change					
Growth					
Tort Limit Erosion					
Alternative 5					



This information can be used to develop target capital ranges based on the risk appetite of the program's management and board. Context will be provided regarding what level of funding adequacy is typically expected from an industry perspective.

An advantage with this process is that the surplus requirements under alternative scenarios can be measured. This allows the selection of appropriate surplus targets to be prospective in nature. For example, the Pool may want to set a surplus target so that it maintains sufficient funding in a scenario where, due to market conditions, it is forced to increase the retention for the property coverage. With this approach, the selected funding target may be the amount of surplus required to protect the members from a 1-in-250 year event assuming this higher retention level.

This approach to develop fund balance targets is very different than the common pool approach whereby board members are asked to choose financial ratios or confidence levels they are "comfortable" with – without any context or tie in to the underlying business model or financial goals of the program.

Timeline

Kick-off meeting (January or February 2016)

The kick-off meeting would be at UCIP and would be attended by PwC and UCIP management. The specific areas of discussion would be:

1. Pooling financial business models and implications on solvency metrics including the benefits of the "capital modeling" approach
2. Risk appetite concepts and the distinction between "regulatory minimums" versus a "target fund balance"
3. Insurance industry "targets" and appropriateness for pools
4. Key financial risks of UCIP
5. Reinsurance structure and investment holdings
6. Alternative scenarios to model (change retention, forced growth, investment mix, etc.)
7. Risk quantification process overview
8. Data requirements (actuarial reports, financial statements, investment holdings, detailed claim listing, etc.)



Preliminary results (April 2016)

The preliminary results meeting would also be attended by PwC and UCIP management. The main purpose of this meeting would be to review the study results and implications with management. Specific agenda items will include:

1. Overall capital needs at various risk thresholds for UCIP
2. Comparison of study results to other measures used such as reserve confidence levels, regulatory standards, IRIS ratios and other “pooling” financial benchmark ratios
3. Walk through assumptions used (as an additional accuracy check)
4. Overview of how the capital needs react to various scenarios (changing retention, forced growth, etc.)
5. Details regarding the source of the capital needs (how much of the capital need is coming from various risk components such as general liability reserves versus risk of reinsurer failing)
6. Insurance industry and pooling context for risk appetite (should UCIP target a 1-in-50 year capital level or 1-in-500 years and why?)
7. Key elements of a target fund balance policy
8. Illustrative examples of various target fund balance policies to consider
9. Updating the target funding as the risk profile changes
10. Strategy for presenting this information to the board and appropriate information to include in board package

Board Presentation (June 16, 2016)

The board presentation is a key element of the project as their input is critical in formulating or adopting a specific target fund balance policy. The member/owners ultimately need to decide the level of financial protection they expect UCIP to provide. The study is designed so that this is done in an informed manner.

1. Overall process for determining an appropriate target fund balance
2. Capital needs at various risk thresholds for UCIP
3. High level discussion of the various risk categories (reasons capital is required)
4. Impact on program changes on the capital requirements
5. Insurance industry and pooling context for risk appetite
6. Sample target fund balance policies and implications for the Pool

Deliverables

Key deliverables will include 3 onsite meetings including a project kick-off, a presentation of results to management, and facilitation of the board discussion around a target funding level. This study will be a collaborative effort with the results dependent on the risk appetite of the Pool. Each meeting will be accompanied by a presentation with a level of detail that is deemed appropriate for each audience.

In addition, a report which fully describes and documents the analysis will be provided. The report will also include multiple by-products of our study, including a “risk heatmap” (a graphic presentation of the sources of fund needs), observations on your historical claims profile (such as severity, frequency, and the reserve setting process), asset and credit profile, operational risk exposure and ideas on potential risk mitigation.



This report can be provided either in advance of the Executive Board meeting or alternatively, after the meeting. The advantage of waiting until after the meeting is the risk appetite of the Pool would be incorporated in the report and a single document will exist that explains in summary and in detail the rationale for the UCIP target fund balance policy.

Testimonial and PwC Experience

PwC is the thought leader in the pooling industry regarding "pool solvency" and the underlying solvency metrics used by pools. The PwC paper titled *"Have Pool Expectations Surpassed their Solvency Measures?"* describes how pools have evolved over time. It challenges the appropriateness of the predominant solvency standards currently being used by pools in light of member expectations.

Feedback from the pooling community on this paper, presentations on this subject and the results of work performed has been extremely favorable:

"Timely and thought provoking. Challenging the status quo – and isn't that what we should be doing?"

"PwC's work has taken the conversation about surplus to a different level"

"... solid and challenging the conventional thinking about this topic"

"I was never comfortable with the 10:1 ratio we were using and now I understand why. This makes sense"

"This is the first time after sitting on this board for 6 years that I feel I have a handle on why we need this amount of surplus"

"The information was presented at the right level and the board gets it"

"Three board members commented at the lunch line how good and appropriate the information was"

"I have seen this subject presented before but the framework used here to lead the board to an appropriate target is much more effective"

We have been regular speakers at pooling industry conferences on this topic.

- AGRiP 2012 Spring Meeting – "Have Pool Expectations Surpassed their Solvency Measures?"
- National League of Cities Risk Consortium May 2012 – "Have Pool Expectations Surpassed their Solvency Measures?"
- AGRiP Leadership Institute August 2012 – "Funding Framework for Maturing Pools"
- AGRiP 2013 Spring Meeting – "Addressing the Surplus Question for Pools"
- National League of Cities Risk Consortium May 2013 – "Long Range Capital Planning for Pools"
- AGRiP 2014 Fall Meeting – "Capital Modeling for Reinsurance Decision Making"



The following are pool references which can speak to our experience with target fund balance studies.

<i>Client Name</i>	<i>Contact</i>	<i>Comments</i>
Texas Association of School Boards	Dubravka Romano Associate Executive Director (512) 467-3510 Dubravka.romano@tasb.org	Largest school pool in the nation
Washington State Transit Insurance Pool	Jerry Spears Deputy Director (360) 586-1800 Jerry@wstip.org	Transit pool in Washington
Texas Municipal League Intergovernmental Risk Pool	Carol Loughlin Executive Director (512) 491-2322 cloughlin@tmlirp.org	Oldest pool in the nation
Special Districts Association of Oregon/Property and Casualty Coverage for Education	Frank Stratton Executive Director (800) 285-5461 fstratton@sdao.com	All three major pools in Oregon have performed target fund balance reviews
Washington Cities Insurance Authority	Ann Bennett Executive Director (206) 575-6046 AnnB@wciapool.org	Largest city pool in Washington
California Joint Powers Insurance Authority	Alex Smith Finance Director (562) 467-8727 Asmith@cjpia.org	Made a deliberate choice to change business models

Fees

We estimate the project fees to be approximately \$50,000, which includes out-of-pocket expenses. This will include 3 onsite meetings and/or presentations and a complete written report documenting the work performed. The analysis will include the separate quantification of approximately 25 to 30 risk elements at various thresholds as described in the "Capital Modeling Process" diagram above and the description of the alternative scenarios.



Contract Terms

This proposal does not constitute a contract to perform services and cannot be used to award a unilateral agreement. Final acceptance of this engagement by PwC is contingent upon successful completion of PwC's acceptance procedures. Any engagement arising out of this proposal will be subject to negotiation of a mutually satisfactory engagement contract.

* * * * *

We appreciate this opportunity to provide this outline of the capital modeling process and how such can be used to develop fund balance targets and enhance the financial controls for the Utah Counties Indemnity Pool. Please do not hesitate to contact Kevin Wick at 206-398-3518 with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian A. Jones".

Brian A. Jones, FCAS, MAAA
Principal

A handwritten signature in blue ink, appearing to read "Kevin L. Wick".

Kevin L. Wick, FCAS, MAAA
Managing Director

Have Pool Expectations Surpassed their Solvency Measures?

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Introduction

Basic questions for any insurance pool include:

- *"How well are we funded?"*
- *"Is our surplus level adequate given the pool's risk and financial objectives?"*
- *"Are we in a position to release excess funds to our members/owners?"*

Traditionally, pools have used various approaches, such as confidence levels, a risk-based capital formula, and/or financial ratios, to answer these questions. Many of the specific guidelines pools use have not changed since the early years of pooling. However, the pooling industry and its members have changed since the insurance coverage availability crisis of the mid-1980s, which resulted in the formation of governmental insurance pools. An examination of operational practices reveals that many pools have moved from being an assessable self-insurance group to an entity that more closely resembles a non-assessable insurance company that its policyholders own. This change in business model requires a change in the manner in which funding adequacy is evaluated.

In this paper, we explore various solvency measures pools use to establish and assess funding levels. In order to provide perspectives on their applicability in light of the current financial pressures on pools and their members, we also discuss the context in which the specific measures developed. In addition, we address alternative strategies and approaches to establish and assess funding levels.

Historical perspective

When many pools first formed 20 to 30 years ago, insurance coverage for members was becoming unaffordable or unavailable in the traditional insurance marketplace. Pooling risks with similar entities was an effective means of transferring/sharing risk and offered members a way to insulate themselves from the unpredictability of the commercial insurance marketplace. Over time, pool membership has expanded and surplus levels have grown. Pool member expectations have matured as well --- they include the expectation of a sound financial basis, stable rates, innovative and customized coverages, and a focused commitment to their own unique risks.

Unlike insurance companies, insurance pools remain largely unregulated. Minimal regulation allows flexibility, which can be a distinct advantage but, at the same time, this lack of regulation has resulted in insufficient financial information for use in benchmarking and assessing the adequacy of pool funding.

Instead of regulation, a common funding adequacy safeguard for pools continues to be a "cash call" provision that allows a pool to assess their membership in the event of a funding shortfall. However, pool members could view significant shortfalls or problems that trigger such assessments¹ as a failure; they expect the pool to be financially sound and solvent. A loss of confidence in the pool, including its board, management and the sponsoring organization, also would likely result.

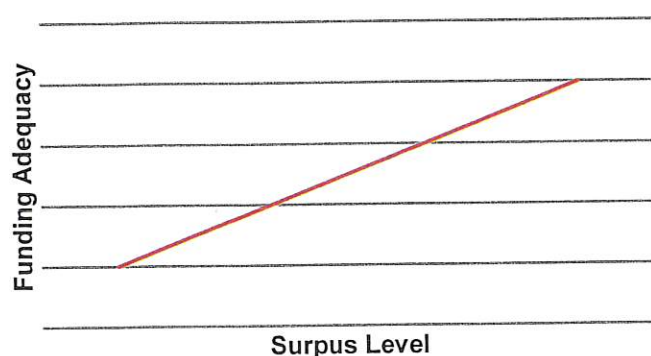
Insurance pools must remain financially viable and able to provide stable insurance costs. At the same time, pool members face their own financial pressures and may prefer lower rates or a return of excess pool funds. Addressing these issues requires an appropriate, realistic assessment of the pool's funding adequacy.

¹ For example, while a pool may have a "cash call" provision, executing it may not be realistic because members lack excess money for payment. In addition, a pool may inadvertently overstate its financial strength; a cash call can result in disputes and delays at a time when the pool needs money to satisfy unfunded claims.

Funding adequacy measures

Risk transfer mechanisms, such as pools and traditional insurance entities, have uncertain costs. This uncertainty largely relates to projected future losses underlying the pricing, as well as the unpaid claim estimate, which typically is the largest liability on the balance sheet. As with any financial entity that has variable costs, capital is required to absorb financial fluctuations and keep rates stable. Absent sufficient capital to support risks, the organization may fail or, at a minimum, charges to members may be highly variable.

For insurance companies, this capital commonly is referred to as surplus, but in the pooling industry, capital may be referred to as member fund balance, net assets, or owners' equity. For the purposes of this paper, we will use the terms surplus and capital interchangeably to refer to the pool's total assets less total liabilities. The concept of funding adequacy is simple -- the greater the surplus, the greater the ability of a program to meet its uncertain financial obligations. Determining the appropriate level of surplus, however, is complex.



The insurance industry is highly regulated, and as a result, insurance company capitalization receives heavy scrutiny by regulators, rating agencies and external auditors. To regulate solvency, regulators use a variety of measures, indicators and tools, which include the following:

- Insurance Regulatory Information System (IRIS) ratios;
- Risk-based capital (RBC);
- Triennial financial examinations conducted by the state insurance departments; and,
- Formal actuarial statements that opine on the reasonability of the booked reserves and provide information on other risk factors associated with the insurer's business.

In addition, many outside financial auditors have their own actuarial specialists that provide another perspective on the reserve levels and critical risk factors of insurance companies. Rating agencies also weigh in on the financial condition of insurance companies and provide an independent assessment of financial strength.

Absent the scrutiny and perspective that regulators and rating agencies provide, how much surplus is appropriate for a pool to maintain is a difficult question for key stakeholders to answer. Board members, who typically are not insurance professionals, must rely on pool management and external consultants for advice.

Pools historically have relied on one or a combination of the following measures to assess funding adequacy:

- Confidence levels;
- Risk-based capital calculations; and,
- Financial ratios.

While each approach has its own appeal, pools must understand the appropriate context of these measures, including the inherent strengths and limitations, and consider supplemental information to establish, or assess, proper funding levels.

Confidence levels

One solvency monitoring concept the pooling industry commonly uses is the confidence level. Pool funding policies and even pool solvency regulation in some states contain confidence level guidelines and recommendations. To determine the confidence level, actuaries estimate the unpaid claim liability using generally accepted actuarial methods. The unpaid claim estimate is uncertain, however, and represents one number within a range of possible outcomes, each with an associated probability. These probabilities over the range of possible outcomes combine to form a probability distribution, which can be used to perform a confidence level analysis as a way to quantify this uncertainty.

The use of confidence levels in establishing or assessing pool funding is intuitively appealing for a number of reasons:

- The basic concept is easy to understand. Stakeholders understand claim costs are uncertain in advance, and more funding provides greater confidence that surplus will prove to be adequate.
- Confidence levels can be based on pool-specific parameters, including claim severities and retentions, which are used in the probability distributions.
- The parameters may be modified to determine the impact of a program change, such as how much additional surplus would be required if the program's per occurrence or aggregate stop loss retention were increased or decreased, or if the volume of business changed due to an increase or decrease in members.

The broader insurance marketplace seldom if ever uses confidence levels in isolation (although enterprise risk management or capital modeling calculations may embed similar concepts). For example, oversight boards and management of mutual insurance companies do not consider the "impact on their confidence level funding" when contemplating a dividend, and brokers do not differentiate between alternative reinsurance options by the "confidence level" at which the reinsurers are funded.

To the extent that pools continue using confidence levels in establishing/assessing funding levels, they should consider the following limitations:

- A comprehensive measure of financial strength for a pool needs to consider more than just the risk that unpaid claims may be higher than the current estimate. Confidence levels for unpaid claim estimates do not reflect asset risks, credit risks and pricing risks. Pricing risk, for example, reflects the possibility that current pricing is inadequate and, because it is highly correlated to the reserve risk, additional surplus may be necessary to support it.
- No generally accepted approach for calculating confidence levels exists. Pool directors and boards seek comfort by comparing the pool to its peer group, but varying approaches to calculating confidence levels invalidate these comparisons.
- Confidence levels run from 0% to 100%. Most pools find themselves toward the upper end of this scale and thus gain a false sense of security. Funding at the 90% confidence level means that, without taking into consideration the program's other risks, the program has a ten percent chance of inadequate funding.
- Confidence levels are determined from historical uncertainty, and therefore make no allowance for potential new types of risks which are not reflected in the historical data.

While confidence levels made sense in the environment when pools were initially established, a funding adequacy assessment based on confidence levels alone, without additional considerations, is generally insufficient today.

The concept of confidence levels

Suppose the value of a pool's unpaid claim liability is based on a roll of two dice. The expected value of the sum of the values on the two dice is seven, or the average value that would result if the dice were rolled hundreds of times. We know that a 7 will not appear with every roll, and in fact, the sum of the two dice will vary from two to twelve. In terms of confidence levels (i.e., what are the chances that the result will be no higher than a certain value?), consider the following:

No Higher Than	Confidence Level
2	3%
3	8%
4	17%
5	28%
6	42%
7	58%
8	72%
9	83%
10	92%
11	97%
12	100%

In this example, a pool with assets of ten would be funded at the 92% confidence level, which means that if the dice were rolled 100 times, the sum of the dice would not exceed ten 92 times. In our insurance analogy, funding at a 92% confidence level implies an eight percent probability that funding will prove to be inadequate.

Risk-based capital

To provide an additional perspective regarding funding adequacy, some pools have applied an insurance regulatory tool known as risk-based capital (RBC) to their program. RBC, which the regulated insurance industry has used since 1994, provides the regulator statutory authority to intervene with a troubled company.

RBC is a formula which considers numerous risk factors, including asset, credit, reserving and pricing risks, to produce a single amount known as "authorized control level risk-based capital", or ACL. Depending on how a company's surplus compares to the calculated ACL, different regulatory action may apply.

Control Level	Trigger	Regulatory Action
Company Action Level	150% up to 200% of ACL	The company must prepare and file an action plan with the state insurance commissioner that identifies the conditions contributing to its financial condition. The plan must contain corrective actions and projections of financial condition with and without the proposed corrections.
Regulatory Action Level	100% up to 150% of ACL	The company must file an action plan with the state insurance commissioner, who issues corrective orders to address the company's financial problems. The insurance commissioner must perform any examinations/analyses on the company that it deems necessary.
Authorized Control Level	70% up to 100% of ACL	Although the insurer may technically be solvent, the regulator has automatic power to take control of the insurer.
Mandatory Control Level	Up to 70% of ACL	The regulator is required to commence a process to place the insurer under regulatory control.

RBC can be appealing to pools for a number of reasons. First, RBC considers more risks than simply the variability associated with the unpaid claim estimate. In addition, the RBC formula calculates a single capital value based on certain risk factors. The insurance industry's use of RBC also gives it some legitimacy from a pool's perspective. However, risk-based capital is easily misunderstood, and thus easily misapplied.

"Over half of insurance companies have surplus more than ten times their calculated RBC level, and 30% of companies have surplus over twenty times their RBC level."

The RBC formula does not calculate the surplus an insurance entity should possess, and in fact, the National Association of Insurance Commissioners (NAIC) explicitly states that RBC "will not compute the precise amount of capital an insurer needs to maintain in a competitive, dynamic and uncertain marketplace." Rather, the RBC formula provides regulators with a clear-cut mechanism for intervening in an insurance company when very minimal surplus is available relative to the risk the entity assumes. The vast majority of insurance companies maintain surplus that exceeds their calculated RBC level by several multiples. A review of the RBC calculations for several regulated pools provides further context for this measure.

Company	Net Earned Premium	Unpaid Claims	Surplus	Risk Based Capital (Authorized Control Level)	Surplus To RBC Ratio
Idaho Counties Risk Mgmt	\$14.5 m	\$22.4 m	\$18.0 m	\$3.4 m	538%
League of WI Municipalities	17.9 m	24.1 m	14.4 m	2.3 m	634%
Transit Mutual Ins Corp. of WI	3.0 m	4.3 m	6.8 m	.2 m	2,809%
New York Mutual Ins Recpl	31.2 m	54.0 m	52.0 m	6.8 m	761%
WI Municipal Mutual Ins Co.	3.2 m	8.4 m	34.3 m	1.5 m	2,279%

As the table shows, these pools have surplus to RBC ratios well above the 200% minimum threshold for remedial action, and in fact, ratios of the magnitude in the table above are not uncommon for regulated insurance companies.

"Companies with higher surplus to RBC ratios do not necessarily have better financial strength ratings."

Without putting the RBC measure in its proper context, inappropriate financial decisions, including the release of needed capital, may occur. Pools should consider additional benchmarks in order to establish/set appropriate capital funding levels.

Benchmark financial ratios

Financial ratios provide an alternative view of funding and are not only intuitively appealing but also simple to calculate relative to confidence levels and RBC. Some pools have incorporated the NAIC Insurance Regulatory Information System (IRIS) ratios into their funding assessments. More commonly, pools use a simpler set of benchmarks including ratios of unpaid claims, premiums, or net retentions to surplus.

Insurance Regulatory Information System (IRIS)

The NAIC, as part of its solvency monitoring process, uses twelve IRIS ratios to serve as an early warning predictor of troubled companies. The trigger of additional regulatory scrutiny results from the failure of three or more of these ratios relative to the established guidelines at a single point in time. The consistent, detailed financial reporting the NAIC requires of insurance companies facilitates the development of financial ratio benchmarks. While pools do not follow the detailed financial reporting requirements that insurance companies follow, the following IRIS ratios typically are determinable from pool financial statements.

	Ratio	Unusual if Over	Unusual if Under	Comment
1	Gross Premium to Surplus	900%		High leverage reveals increased credit and pricing risk.
2	Net Premium to Surplus	300%		High leverage implies greater pricing risk.
3	Change in Net Writings	33%	-33%	Rapid growth can be an issue as the pricing risk is increased and additional pressure is placed on the surplus.
5	Two-Year Overall Operating Ratio	100%		Operating losses are an indicator of pricing inadequacy.
7	Gross Change in Surplus	50%	-10%	Large changes in surplus, and especially a decline in surplus, is a concern.
8	Liabilities to Liquid Assets	105%		High leverage implies a potential for cash flow challenges to meet liabilities when due.
10	One-Year Reserve Development to Surplus	20%		Any adverse change in the prior year-end reserve estimate that is significant in relation to surplus is a concern.
11	Two-Year Reserve Development to Surplus	20%		Any adverse change in the reserve estimate from two years ago that is significant in relation to surplus is a concern.
12	Estimated Current Reserve Deficiency to Surplus	25%		An indicator of potential deficiency in the current reserve is calculated assuming a consistent relationship between reserves and premium as well as the results from tests #10 and #11. The amount is compared relative to surplus.

Similar to RBC, the use of a broad insurance industry solvency measurement tool has great appeal. When considering these ratios, pools should be mindful that the NAIC established IRIS ratios many decades ago, prior to the development a more sophisticated solvency regimen including RBC, periodic financial examinations and mandatory annual statements of actuarial opinion. An insurance company currently operating near the bounds of the IRIS ratios today would be considered thinly capitalized relative to its peers.

Other financial ratios

Pools more commonly use a simpler set of ratios which cover the key risk areas for a pool. These ratios include:

- **Unpaid Claims to Surplus** -- This leverage measure provides insight into the ability of surplus to withstand variations in unpaid claim estimates.
- **Net Premium to Surplus** -- This ratio, which is one of the IRIS ratios above, is a leverage measure that assesses the ability of surplus to sustain pricing inaccuracies.
- **Net Retention to Surplus** -- This ratio provides a very basic understanding of how a single large loss could impair surplus.

When evaluating the adequacy of surplus, reviewing the inverse of these ratios may be more intuitive. Specifically, the inverse ratios help to answer the following questions:

- **Surplus to Unpaid Claims** -- How much surplus should be maintained in relation to the unpaid claim estimate?
- **Surplus to Net Premium** -- How much surplus should be maintained relative to net premium?
- **Surplus to Net Retention** -- How much surplus should be maintained relative to the maximum single loss to which the pool is exposed?

Determining Relevant Benchmarks

To utilize these financial ratios effectively, benchmark values are necessary. While similar ratios from other pools would provide a benchmark, comprehensive pool information is not readily available. In addition, variations in pool funding policies and objectives, such as member assessability, may invalidate comparisons as these policies have a substantial impact on the "appropriate" level of surplus.

Another source for benchmark values is insurance industry data. State insurance departments require insurance companies to file detailed statutory financial statements. In addition, ratings agencies assess the financial strength of most insurance companies, and the information they produce can enhance the development of appropriate benchmark financial ratios. Finding insurance company statistics that are comparable to the pool, particularly with respect to size and mix of business, is critical to using this approach.

Size of Insurer. The pooling industry commonly uses consolidated "industry aggregate" information as a source of "insurance industry" ratios. However, the largest insurance companies, which have billions of dollars in unpaid claims and surplus, are highly diversified, and may retain liabilities with very different inherent risks from those retained by pools, dominate these overall aggregate ratios. Many individual insurance companies may be more comparable to pools in size and exposure, but due to their size, these companies do not have a large impact on the overall average. As the table below shows, a company's size has a significant impact on financial ratios.

Unpaid Claims or Net Premium Range	Surplus to Unpaid Claims	Surplus to Net Premium
Under \$50 million	\$2.47	\$2.29
Over \$50 million	\$0.97	\$1.30
Insurance Industry Average	\$0.99	\$1.32

For each \$1.00 in unpaid claims and each \$1.00 in net premium, the insurance industry maintains \$0.99 and \$1.32 in surplus, respectively. However, the amount of surplus held by smaller companies, \$2.47 per \$1.00 in unpaid claims and \$2.29 per \$1.00 in net premium, is much greater than the broad industry average. Larger insurance companies have more offsetting risks and therefore do not require as much surplus per unpaid claim or premium

dollar as smaller companies -- the same underlying principle for pooling of insurance risks. The aggregate loss experience is much more predictable than the individual member loss experience, and thus requires less capital.

Mix of business. Another issue to consider when using insurance industry financial ratios is the mix of business. Supporting more predictable, short-tailed, lines of business, such as private passenger auto and homeowners (which tend to have a higher frequency of claims and lower claim severity), requires less capital. Commercial coverages like workers' compensation, commercial auto liability, and general liability are more variable; therefore, a commercial book of the same size as a personal lines book will require more capital.

To further demonstrate the variation in capital benchmarks relative to unpaid claims and net premium, we compile below financial benchmarks of nearly 500 insurance companies that predominantly write coverages similar to those underwritten by pools and have similar risk characteristics, such as claim duration.

Unpaid Claims or Net Premium Range	Surplus to Unpaid Claims	A Rated only Surplus to Unpaid Claims	Surplus to Net Premium	A Rated only Surplus to Net Premium
\$1m to \$5m	\$2.77	\$5.53	\$3.31	\$5.62
\$5m to \$15m	1.68	2.25	2.47	3.09
\$15m to \$50m	1.24	1.43	2.28	2.53
\$50m to \$100m	1.11	1.15	1.40	1.45

As the above table shows, the financial benchmark value varies depending on program size and financial strength². While a single set of financial benchmark ratios applicable to all insurance pools would make financial monitoring easier, the multitude of factors that affect surplus requirements make such a set unrealistic. For example, another risk factor pools should consider is their rating system options. If a significant portion of pool members have deductibles, then the pool may be operating more like a reinsurer. A reinsurer needs to maintain more surplus due to the greater uncertainty of its loss experience.

"In order to be relevant, the financial benchmark ratios need to reflect both the risk of the pool and its optimum financial strength."

Retention level. Another ratio the pooling community reviews is the surplus to net retention ratio. A commonly cited benchmark is maintaining surplus that is at least ten times the maximum net retention (e.g., \$5,000,000 of surplus for a pool with a \$500,000 self-insured retention). To provide some perspective on this measure, 80 percent of the insurance companies we reviewed that resemble pools in terms of size and coverages maintain surplus 25 times their maximum net retention, and their median surplus to retention ratio is 80.

Capital modeling

The issue of surplus adequacy is not unique to pools. Private insurance companies deal with the same underlying capital allocation issue -- the balance between having sufficient, but not excessive, surplus.

Insurance companies, ratings agencies, and regulators in Europe continue to develop sophisticated economic capital modeling approaches to better assess capital requirements. These enterprise risk management tools focus on modeling the various risks to which an entity is exposed and developing a target capital level consistent with management's risk appetite or financial strength metrics. While similar in concept to the confidence level measure, capital modeling provides a much more comprehensive assessment of which risks and what time horizon should be considered.

² Financial strength ratings provided by A.M. Best for 2010. A rated companies include those with ratings of A- or better.

Capital modeling inherently recognizes that pools operate in a dynamic environment. Proper financial planning needs to reflect short and long-term goals, assuming various scenarios versus the current program structure for a one year time horizon. Critical risk factors, such as the use of reinsurance, the extent of member deductible programs, the size of the program and the asset mix, will vary in the future. Economic capital modeling provides a more realistic assessment of funding levels considering potential changes to the specific risk factors. Generally, the models are stochastic, which allows consideration of different events, such as a future inflation shock or a very large loss, through multiple simulations.

Perspective

Reliance on ratings organizations and insurance departments, to gain perspective on the financial condition of their program is not an option for most pools. Benchmark financial ratios that do exist for pools are vague with respect to how and in what context they were developed, and often the source of benchmarks is broad industry averages without particular relevance to pools. While some regulatory and "self-regulated" accreditation standards have developed, the standards tend to provide minimal benchmarks, especially for insurance pools that do not view cash calls, or member assessments, as viable options.

To understand a pool's current surplus needs, a clear view of the business purpose and available funding options is necessary. Is the pool's capital limited to the surplus built up over time or are cash calls a viable alternative? Pools increasingly discuss how to operate safely and maintain solvency. When exploring these issues, many programs will find that the nature of their business has changed from an assessable self-insurance group to a business that more closely resembles a non-assessable insurance company that its policyholders own. Operating without a "cash call" option requires greater financial discipline and an appropriate understanding of the target surplus.

Financial Framework and Controls

A culture and disciplined framework for making and reviewing critical financial decisions is vital for the long-term financial viability of any program. Examples of such decisions for pools include:

- Dividend or excess surplus distributions;
- Basis of dividend allocation;
- Rate level;
- Impact of a change in retention level on the capital requirement; and,
- Rating plan and options.

Insurance company issues like these are subject to regulation; without such regulation, pools should establish alternative safeguards.

"Many financial disasters could have been minimized by more questions from key stakeholders."

Strong governance includes effective controls, relevant financial and risk metrics, and a culture in which stakeholders are inquisitive and do not simply accept the status quo. Inquiries will allow stakeholders to determine if the program is operating as intended. By providing different perspectives and professional skepticism, these stakeholders can serve an important role in a pool's controls. Critical questions key stakeholders may ask include:

- How do we assess our funding adequacy?
- What are the inherent strengths / limitations of our funding assessment tools?
- What processes are in place to ensure our funding guidelines are aligned with our members' expectations?
- How are changes in our program, such as reduced use of reinsurance or potential growth, incorporated in our funding targets?
- What time horizon is considered in our funding level and other critical risk decisions?
- What tools and funding metrics can we leverage from the broader insurance market?

-
- How can we demonstrate to our members that we are financially strong?
 - How are we different from pools that have failed?
 - What governance structure do we have over critical financial decisions?

Surplus Target Strategies

One strategy to develop surplus targets is to benchmark against regulated insurance companies. This practice allows a pool to gain a financial perspective in an efficient manner without being subject to specific insurance regulation. In order to be meaningful, the benchmarks should include a relevant subset of insurance companies -- those that resemble pools in terms of size and coverages offered. This approach provides a perspective on the level of surplus actually maintained by insurance companies with a similar risk profile.

"How much capital do insurance companies that look like us hold?"

Another surplus establishment strategy is to apply an economic capital model, perhaps simplified but similar conceptually to models that many insurance companies, regulators, and ratings agencies currently use to assess insurance company surplus requirements. This approach can measure the risk directly based on the specific pool's program parameters, which is superior to the benchmark/proxy approach. Examples of program parameters that can vary in such a model include retention level, proportion of membership with large deductibles, and asset class distribution. The model result will produce a range of capital requirements based on various risk tolerance levels. Furthermore, pool managers and boards who wish to understand the pool's longer term funding needs can contemplate time horizons of three to five years, or even more.

"How much capital do we need based on our specific risk factors and funding objectives?"

Conclusion

Obtaining a valid perspective on financial strength is necessary for a pool to make sound financial decisions. The financial metrics and tools that pools use should keep pace with the changing environment and its members' higher expectations. Pools can and should leverage the many tools and benchmarks available in the broader insurance marketplace to determine capital targets. An understanding of the various measures, including the context in which they developed, is critical to effectively leveraging these tools and interpreting the results in order to make appropriate funding decisions.

For a deeper conversation about pool solvency, please contact:

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Utah Counties Indemnity Pool

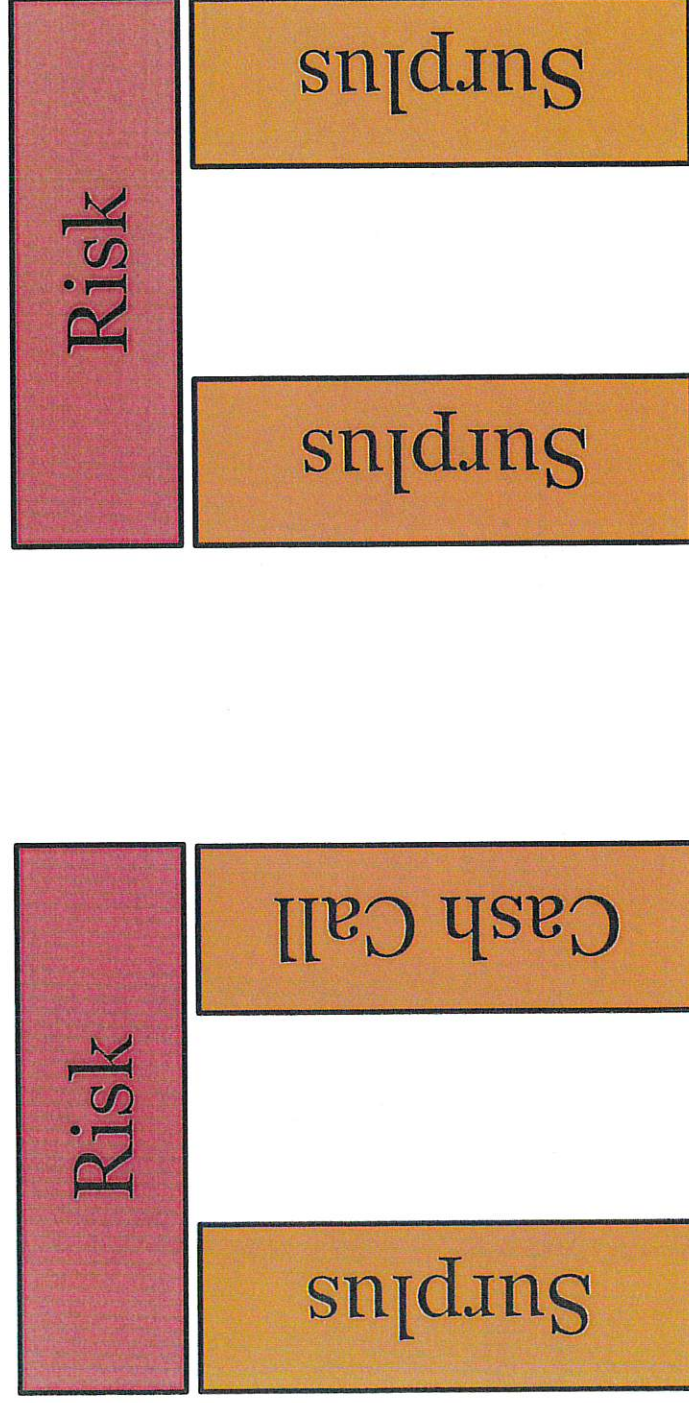
November 23, 2015

Kevin Wick, FCAS, MAAA
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kevin.l.wick@pwc.com

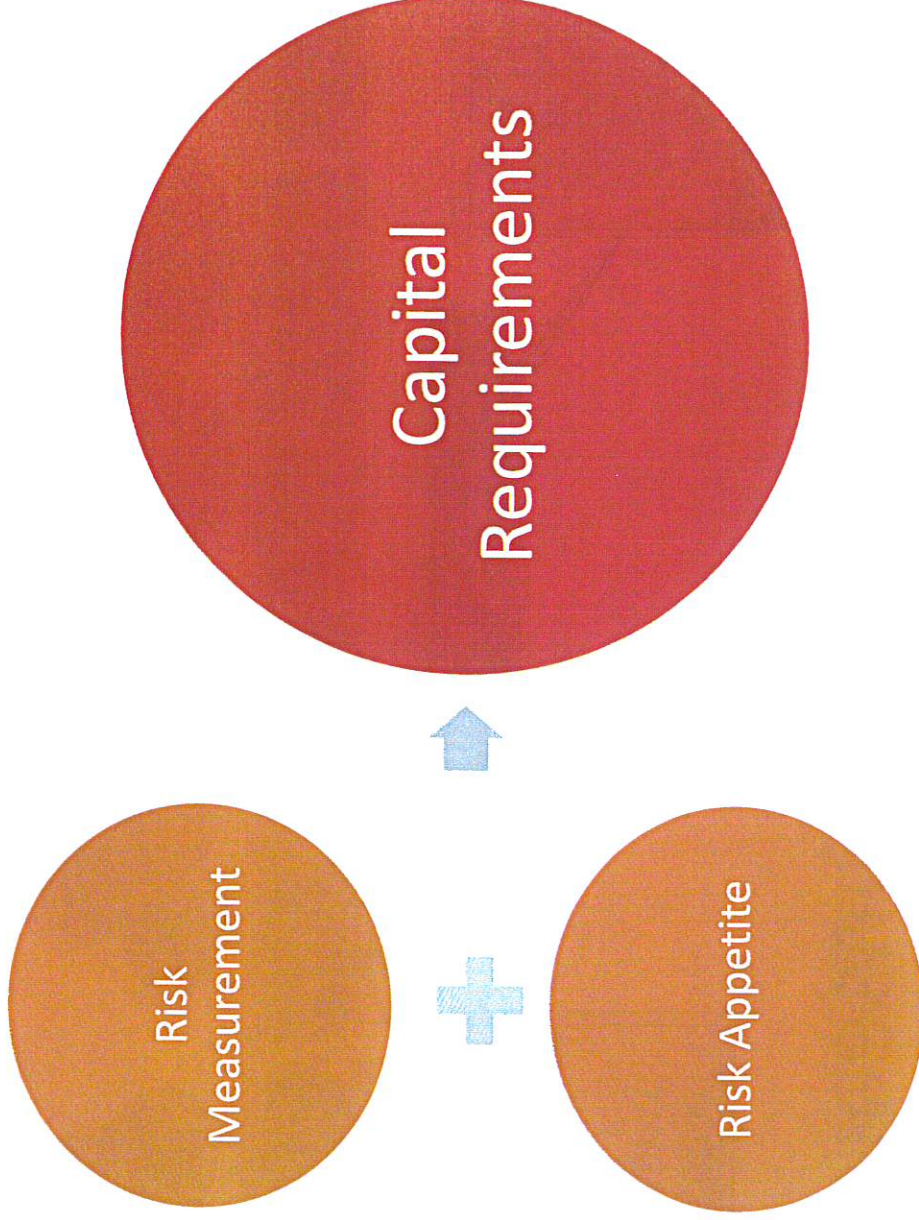
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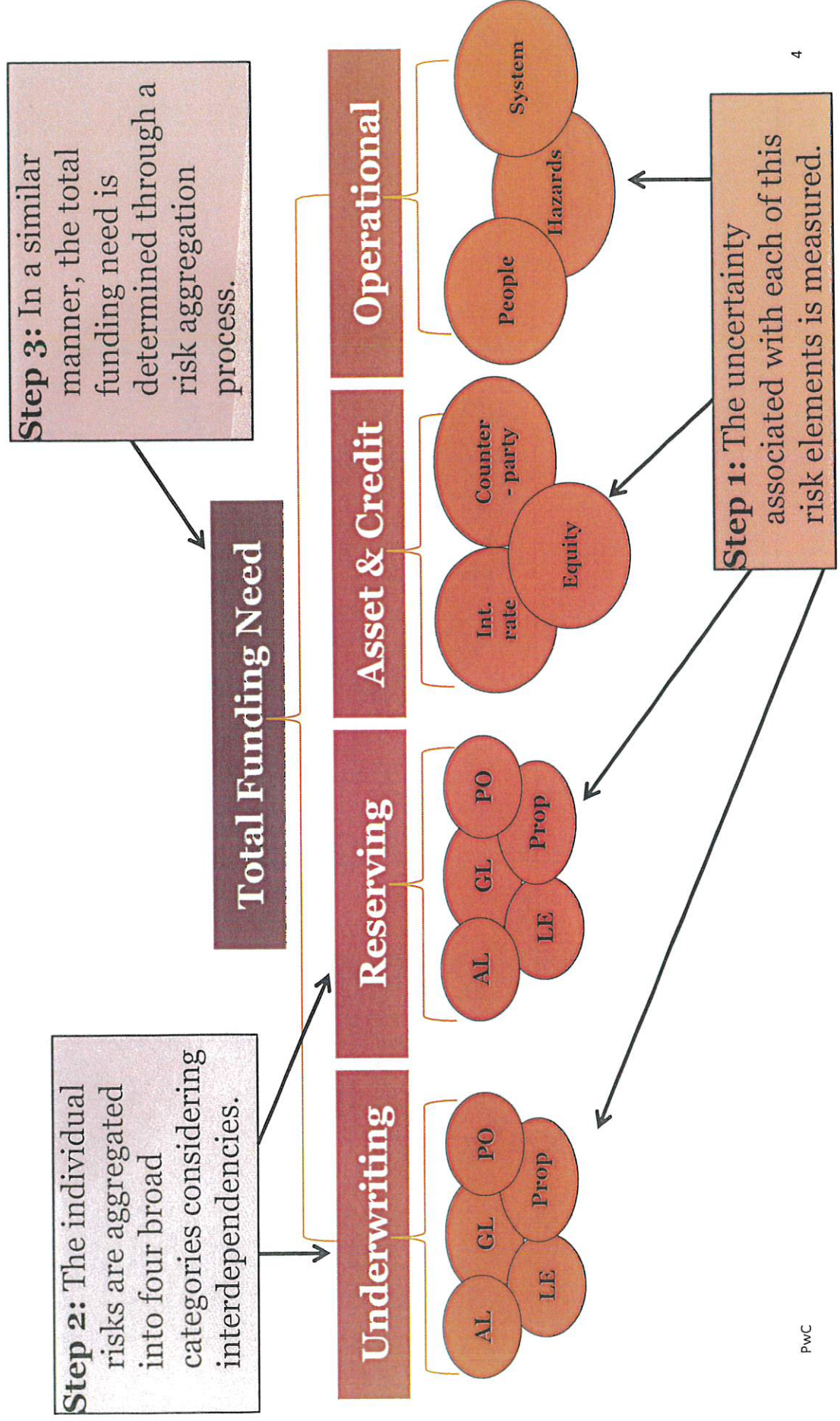
Two Distinct Pooling Business Models have Emerged



Determining Capital Targets



Risk Measurement Process



Unique Pool Risk Appetite

Considerations

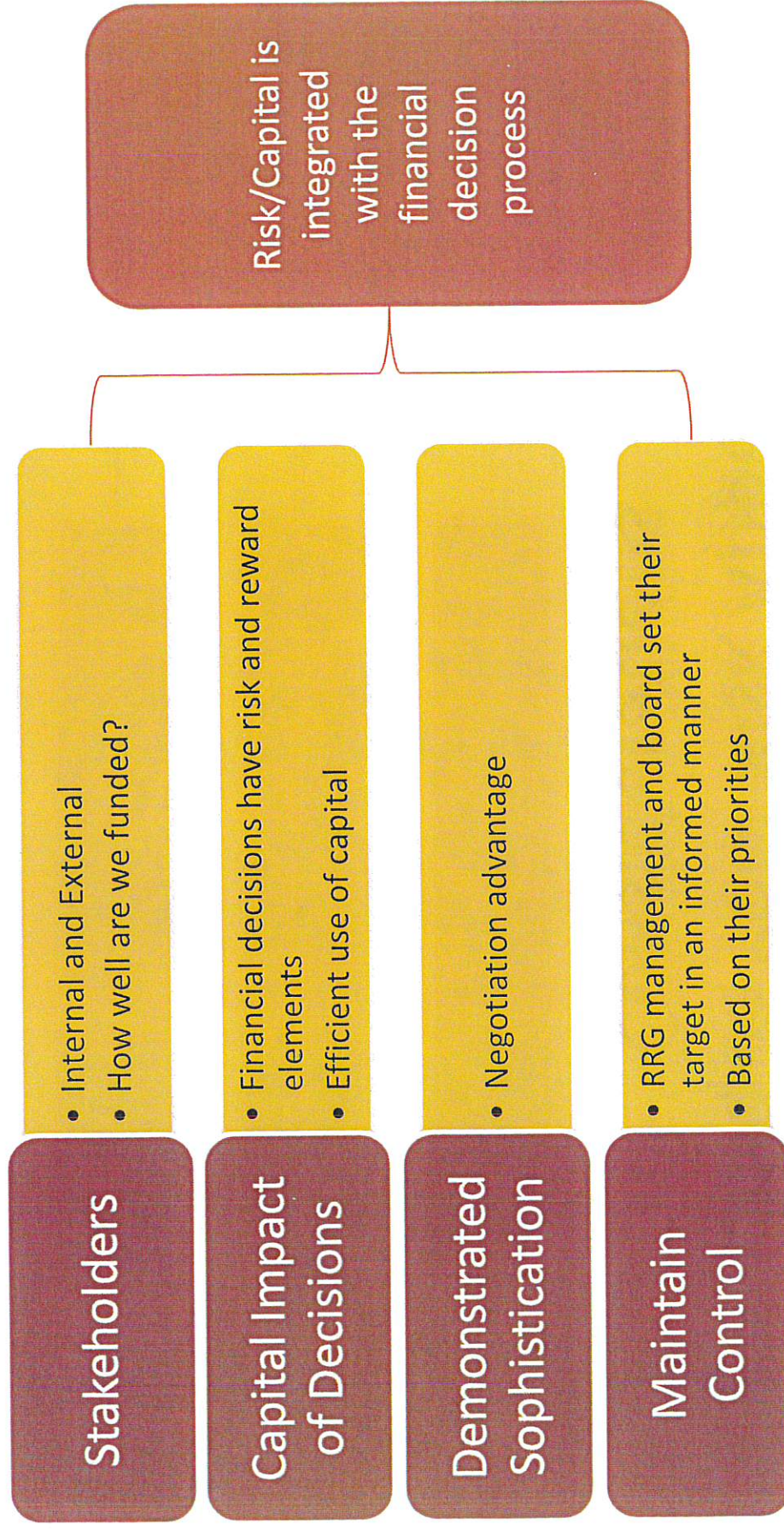
Ability to “manage” book?

Restrictions on rate actions?

Ability to replenish capital?

Members rely on other services

Project Results



	MEMBER	2015	2016
1	Beaver	117,359	140,472
2	Box Elder	278,626	294,948
3	Daggett	60,647	66,268
4	Davis	590,854	677,183
5	Duchesne	174,377	210,198
6	Emery	161,016	199,894
7	Garfield	141,059	151,505
8	Iron	283,609	238,026
9	Juab	139,647	156,132
10	Kane	155,786	186,984
11	Millard	230,070	209,178
12	Morgan	64,573	82,060
13	Piute	24,361	26,895
14	Rich	43,733	52,334
15	San Juan	209,988	232,054
16	Sanpete	113,423	127,016
17	Sevier	174,007	205,041
18	Uintah	358,908	408,004
19	Wasatch	262,320	324,698
20	Washington	411,479	474,291
21	Wayne	61,167	70,355
22	Weber	791,887	877,216
23	Utah Counties Indemnity Pool	6,488	7,949
24	Central HD	28,228	31,313
25	Southeast HD	24,468	24,906
26	Southwest HD	44,172	53,272
27	TriCounty HD	20,443	25,836
28	Wasatch HD	13,841	16,982
29	Weber-Morgan HD	46,920	64,243
30	Washington County Interlocal Agency	64,345	59,025
31	San Juan Transportation	866	1,228
32	Weber Human Services	42,062	45,923
33	Six County Infrastructure Coalition	6,879	12,066
34	Canyonland Improvement District	1,596	1,980
35	Kane County Recreation & Transportation	1,179	1,397
36	Box Elder County Redevelopment Agency	0	31,274
37	Five County Association of Governments	0	35,730
	TOTALS	5,150,384	5,823,876

EXPECTED

5,770,000

Sonya White

Subject:

FW: 2016 Coverage

From: Jordan Mathis [mailto:jmathis@tricountyhealth.com]

Sent: Wednesday, December 16, 2015 1:45 PM

To: Sonya White

Cc: Scott Gessell

Subject: Re: 2016 Coverage

Sonya,

Thank you for bringing this to our attention. Being the new director I wasn't aware of this agreement and the stipulations of it. I am more familiar with typical insurance that simply stops once the payment of premiums ceases, thus allowing more flexibility to shop according to your needs and desires. We will make sure to get our 2016 premium payment processed and sent off in a timely manner so that we continue without issue for the coming year. However, I kindly ask that you forward this email to the board of trustees as TriCounty Health Department's written intent to withdraw from the pool effective December 31, 2016, thus meeting the requirement of notification specified in the agreement.

Sincerely,

On Wed, Dec 16, 2015 at 12:15 PM, Sonya White <sonya@ucip.utah.gov> wrote:

Dear Mr. Mathis,

Pursuant to Scott's email below, it is unfortunate that you have decided that the service and coverage for TriCounty is not adequate for its needs, especially without having any discussions with the Board of Trustees and/or Management of the Pool.

I have attached the Interlocal Cooperation Agreement that TriCounty entered into with the other members of the Pool. Please refer to pages 9-10, Section 11 for Withdrawal and Termination of membership. If you provide a proper written notice to the UCIP Board of Trustees, the earliest effective date of membership termination would be **December 31, 2016**, the end of the Pool's fiscal year.

As TriCounty will continue to participate in 2016, we would welcome the opportunity to meet with you to discuss the changing needs of TriCounty and how UCIP can address those needs.

Please contact me with any questions or concerns as we move forward in the upcoming year.

Sincerely,

Sonya White

Chief Financial Officer

Utah Counties Indemnity Pool

5397 S Vine Street

Murray, UT 84107-6757

801-307-2113 d

801-558-8060 c

435-608-4531 f

ucip.utah.gov

From: Scott Gessell [mailto:sgessell@tricountyhealth.com]
Sent: Tuesday, December 15, 2015 2:57 PM
To: Sonya White
Cc: Jordan Mathis
Subject: 2016 coverage

After months of consideration the TriCounty Health Department has determined to pursue it's insurance needs elsewhere. We appreciate the time, service, and commitment of the Utah Counties Indemnity Pool and the relationships we have forged. TriCounty is changing, and as we progress our needs change also.

Thanks for all you have done in the past. Please contact the Director, Jordan Mathis, at [435-247-1177](tel:435-247-1177) if you have any concerns or questions,

Again, thank you.

Scott Gessell
No virus found in this message.
Checked by AVG - www.avg.com
Version: 2016.0.7294 / Virus Database: 4489/11185 - Release Date: 12/15/15

--

JORDAN D. MATHIS

Director / Health Officer
TriCounty Health Department
133 S. 500 E.
Vernal, UT 84078
435.247.1177

UCIP WORKERS COMPENSATION PROGRAM

Member	EMOD	Size Discount	2016 Estimated Premium
Beaver	0.72	0.1383	61,745
Box Elder	1.51	0.1383	193,480
Daggett	0.64	0.1383	20,594
Duchesne	0.65	0.1383	50,702
Garfield	0.86	0.1383	58,206
Iron	0.58	0.1383	75,546
Juab	0.82	0.1383	37,357
Kane	1.17	0.1383	87,900
Millard	0.95	0.1383	102,598
Morgan	0.98	0.1383	33,196
Piute	0.71	0.1383	8,579
Rich	0.74	0.1383	13,195
San Juan	1.45	0.1383	114,706
Sanpete	0.59	0.1383	32,951
Sevier	0.79	0.1383	61,153
Uintah	1.00	0.1383	155,387
Washington	0.47	0.1383	109,816
Wayne	0.71	0.1383	11,620
Weber	0.86	0.1383	429,060
UCIP	1.00	0.1383	699
WHS	1.00	0.1383	50,397
FCAOG	1.00	0.1383	29,204
Total Program Premium			1,738,091

UTAH COUNTIES INDEMNITY POOL

Budget

	Approved 2015	Proposed Amended 2015	
Revenue			
Contributions	5,095,873	5,150,384	54,511
Investment Income	50,000	70,000	20,000
Other Income	17,000	9,500	-7,500
Total Income	5,162,873	5,229,884	
Underwriting Expense			
Losses and Loss Adjustment Expenses	3,335,158	2,605,000	-730,158
Reinsurance Expense	1,580,000	1,590,000	10,000
Total Underwriting Expenses	4,915,158	4,195,000	
Administrative Expense			
Trustees	40,000	45,000	5,000
Office	200,000	200,000	0
Financial	150,000	75,000	-75,000
Personnel	600,000	605,000	5,000
Depreciation	15,000	14,000	-1,000
Public Relations	14,000	16,000	2,000
Risk Management	45,000	55,000	10,000
Total Administrative Expenses	1,064,000	1,010,000	
Total Operating Expense	5,979,158	5,205,000	
Change in Net Position	\$ (816,285)	\$ 24,884	

Utah Counties Indemnity Pool

Statements of Revenues, Expenses and Changes in Net Assets January through December 2015

	Jan - Dec 15	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Contributions	5,150,384	5,095,873	54,511	101%
Investment Income	66,338	50,000	16,338	133%
Other Income	9,320	17,000	-7,680	55%
Total Income	5,226,042	5,162,873	63,169	101%
Expense				
Trustees	38,309	40,000	-1,691	96%
Office	181,607	200,000	-18,393	91%
Financial	71,251	150,000	-78,749	48%
Personnel	604,180	600,000	4,180	101%
Depreciation	13,188	15,000	-1,812	88%
Public Relations	14,707	14,000	707	105%
Risk Management	51,784	45,000	6,784	115%
Total Expense	975,027	1,064,000	-88,973	92%
Net Ordinary Income	4,251,015	4,098,873	152,142	104%
Other Income/Expense				
Other Income				
500-000000-30060100 Unrealized	-359			
Total Other Income	-359			
Other Expense				
Losses and Adjustment Expense	2,602,533	3,335,158	-732,625	78%
Reinsurance coverage	1,588,585	1,580,000	8,585	101%
Total Other Expense	4,191,118	4,915,158	-724,040	85%
Net Other Income	-4,191,477	-4,915,158	723,681	85%
Net Income	59,538	-816,285	875,823	-7%

UCIP Membership Application Summary

Name of Entity: **Five County Association of Governments (AOG)**

Sponsoring County: Iron County

Type of Membership Applied for: Non-Voting, Non-Equity

Enabling Statutes and Services Provided:

Title 11 Chapter 13 Interlocal Cooperation Act.

The Association serves 37 municipalities (incorporated cities and towns), five county-wide school districts and the county jurisdictions of Beaver, Garfield, Iron, Kane, and Washington. The AOG facilitating the development and delivery of programs assigned by local officials to assure southwestern Utah remains a premier region in which to live, work and recreate.

Risk Factors:

Property: \$2,294,317

Auto: 16

Employees: 40

Liability: \$4,720,894

Loss History:

Additional Notes:

Proposed Liability Limits: **\$3MM**

Current Liability Limits: **\$2MM**

UCIP Annual Contribution: **\$35,730** Current Insurance Premium: **\$No Known**

Workers Compensation Program Premium: **\$29,203.68**

Staff Recommendation:

Based on the Board's earlier discussion in regards to AOG's, staff has followed through with processing membership application to be effective 01/01/2016. Staff recommends approval of membership.

UCIP Membership Application Summary

Name of Entity: **Box Elder County Redevelopment Authority (RDA)**

Sponsoring County: Box Elder County

Type of Membership Applied for: Non-Voting, Non-Equity

Enabling Statutes and Services Provided:

17C. The RDA operates six project areas, contracting with Lewis, Young, Robertson & Burningham Inc. for management assistance. Taxing entities providing funding to the RDA are Box Elder County, Bear River Water Conservancy District, Box Elder School District, Utah State School Board and Utah State Tax Commission. Beyond the typical activities of encouraging, promoting and providing for development, BERDA operates a UAS Testing and Training Site for drones, and rents out property to a gun club. The Box Elder commissioners serve as the RDA Board, and three Box Elder County employees work part time as staff to the RDA.

Risk Factors:

Property: \$13,500 value for drones

Auto: None

Employees: 2 part time?

Liability: Expenditures of \$3,506,349

Loss History: No known losses

Additional Notes: Box Elder County has been reporting the exposures of the RDA to UCIP as if it was a county department. As the RDA began operation of the UAS site, it was determined they were a separate legal entity that needed separate membership with UCIP. Because UCIP has been collecting contribution for the RDA from Box Elder County, we are providing prior acts coverage to the RDA at no charge.

Proposed Liability Limits: **\$5MM**

Current Liability Limits: **\$None***

UCIP Annual Contribution: **\$31,264**

Current Insurance Premium: **\$37,487***

Staff Recommendation:

Based on an earlier review of this entity by the Board, staff has followed through with the RDA to add them as a new member effective 01/01/2016. Staff recommends approval of membership.



Utah Counties Indemnity Pool

EMPLOYEE MANUAL

January 2015 2016

RECEIPT OF EMPLOYEE MANUAL

I, the undersigned employee have received a copy of the Utah Counties Indemnity Pool (UCIP) Employee Manual and have had an opportunity to review its contents with management and ask questions relating thereto.

I understand that **Employment with UCIP is "at will" and may be terminated by UCIP or me at any time with or without cause.** I understand the terms of the at will employment relationship as applied under Utah law and as referenced in this manual. I understand that no officer or employee of UCIP has the authority to enter into a contractual employment relationship with me in writing, verbally, on an implied basis, or any other basis, or in any way waive or alter the at will employment relationship.

I understand this Manual is provided to me as a reference guide regarding UCIP's employment related policies and procedures, and agree that nothing in this manual, nor any omission to this manual, is meant as creating a contractual relationship between UCIP and myself.

I understand these policies and procedures as well as the benefits provided by UCIP to its employees may be amended from time to time by action of the UCIP Board of Trustees, and that the Board of Trustees reserves the right to amend, alter, or revoke any policy, practice, benefit, or employment condition, at any time, or for any reason, with or without notice.

Employee Signature

Date

SECTION I - GENERAL PROVISIONS

Utah Counties Indemnity Pool, (“UCIP”) is a political subdivision of the State of Utah, governed by the UCIP Board of Trustees, operating under the laws of the State of Utah.

A. At Will Employment

Employment with UCIP is “at will” and may be terminated at any time with or without cause. Nothing contained in this manual, or the statement or failure to restate that employment with UCIP is at will in any section of this manual is meant as a waiver or modification of that relationship.

No contract exists between UCIP and its employees or any third parties with respect to any aspects of employment including but not limited to salary ranges, movement within salary ranges, employee benefits or work location. Any aspects of employment with UCIP may change as a result of salary surveys, job analysis, availability of funds, job performance, changes in workload, or changes in UCIP policies and procedures.

No officer, supervisor or other employee or representative of UCIP has the authority to enter into any contract of employment whether written, verbal or implied or to in any other way waive or modify the at will employment relationship between UCIP and any employee. Only the UCIP Board of Trustees may enter into any relationship other than at will employment with an employee, and may do so only by resolution of the board authorizing a written contract with such employee.

B. Applicability of Policies and Procedures

These policies and procedures apply to all UCIP employees.

C. Authority for Policies

The UCIP Board of Trustees establishes the policies and procedures that are outlined in this manual. The Board may alter, amend, or supplement these policies and procedures at any time.

D. Savings Clause

If any provision of these policies and procedures, or the application thereof, is found to be in conflict with any State or Federal law or regulation, these policies and procedures shall be considered amended to the extent necessary to comply with such law or regulation.

E. **Personal Information**

UCIP has signed the Electronic Trading Partner Agreement with the Utah Retirement Systems. As a condition of this Agreement, UCIP has adopted the following policy statement: UCIP will prevent the improper use or disclosure of personal information regarding its employees' status, contributions and/or benefits, or any other personal information arising from enrollment or participation in the Utah Retirement Systems.

F. **Non-Discrimination**

UCIP is an equal opportunity employer. UCIP complies with Federal and State non-discrimination laws with respect to employment on the basis of race, color, national origin, sex, age, disability, or religion. UCIP complies with Title VII, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act and other applicable laws relating to non-discrimination in employment.

Employment at UCIP is based upon the applicant or employee's qualifications, suitability for the job, job references, and ability to perform the essential functions of the job.

G. **Nepotism**

UCIP complies with Sections 52-3-1 to 52-3-4, of the Utah Code Ann. 1953, as amended regarding the employment of relatives.

If because of marriage, promotion, reorganization or other reason, it appears that a conflict with Utah law or this policy appears to exist, the Chief Executive Officer, and the Board of Trustees shall review the matter.

If it is determined that a conflict exists, resignation of one of the family members may be required.

H. **Employment Classifications**

UCIP employment classifications are generally designated as either full-time or part-time positions. Each job description shall state whether the position is a full-time, part-time, ~~seasonal~~ or temporary position and if it is an exempt or non-exempt position for purposes of the Fair Labor Standards Act (FLSA). ~~Employees holding full time positions receive the benefits and protections described in this manual.~~

An employee's classification determines the level of discretionary benefits for which the employee is eligible.

1. Full-Time Positions. Employees, who generally work thirty (30) or more hours per week in a permanent position, are full-time employees.
2. Part-Time Positions: Employees who work less than thirty (30) hours per week on a continuous or recurring basis are part-time employees.

3. Temporary Positions: Employees hired on a project basis. Any single project may not exceed 40 hours of work during a period not to exceed 30 days.

All new and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire or rehire. The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. UCIP uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or UCIP may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

I. **FLSA**

UCIP abides by the provisions of the Fair Labor Standards Act.

J. **Payroll Procedures**

Paydays are twice a month, on the fifteenth and the last day of the month. If a payday falls on a Saturday, Sunday, or legal holiday, UCIP will pay wages earned during the pay period on the day preceding the Saturday, Sunday, or legal holiday.

K. **Reimbursement of UCIP Business Expenses**

UCIP will pay or reimburse employees for expenses associated with authorized UCIP business. The amounts paid or reimbursed are determined from time to time by the UCIP Board of Trustees. Payment or reimbursement for expenses under this policy must be submitted to the Chief Financial Officer on a form approved by UCIP and must include all receipts for items to be reimbursed.

1. **Mileage.** UCIP will reimburse for mileage at the approved federal rate when an employee uses a personal vehicle for authorized UCIP business which does not include commuting to and from the UCIP office. Carpooling to and from conferences and meetings using vehicles under the monthly auto allowance plan should be used whenever practical. Employees traveling to and from conferences and meetings using their personal vehicle when carpooling is available will be reimbursed only when there is a valid business purpose for using their personal vehicle as determined by the Chief Executive Officer.
2. **Monthly Auto Allowance.** The UCIP Board of Trustees has approved a monthly auto allowance to be paid to specific employees that regularly use their personal auto for travel on authorized UCIP business. Employees who receive a monthly auto allowance will only receive reimbursement for mileage when the round trip miles driven for a single business purpose exceed the number of miles identified as the Mileage Reimbursement Threshold in the Schedule of UCIP Discretionary Benefits. Reimbursement of mileage exceeding the Mileage Reimbursement Threshold will be paid at the approved federal rate.

3. **Per Diem.** UCIP will pay a per diem to employees away from home on authorized UCIP business pursuant to the ~~full daily standard~~ M&IE rates published by the Office of Government Policy, General Services Administration. Travel requirements for Per Diem are a trip of at least 100 miles and/or five hours duration. Per Diem is not payable to employees on business in the employee's home county or Salt Lake County. Per Diem is provided to cover meals and incidental expenses incurred when travelling.
4. **Other Travel Expenses.** UCIP will pay or reimburse employees for other expenses, such as lodging or airfare, on approved business trips.
5. **Cell Phones.** The UCIP Board of Trustees has approved a monthly cell phone allowance to be paid to specific employees that regularly use their personal cell phone for UCIP business. Reimbursement amounts will be set by the Board of Trustees dependent on the amount of business use, the need to use cellular service for email and internet access, and the market rate for such services.
6. **UCIP Business Credit Cards.** The UCIP Board of Trustees has approved the use of UCIP Business Credit Cards by certain employees who regularly incur business expenses as part of their duties. UCIP Business Credit Cards are for use of authorized business travel expenses and other authorized business expenses. Employees using UCIP Business Credit Cards must submit documentation of the charges in the form of written receipts to the Chief Financial Officer on a monthly basis. Each receipt should include documentation of the business purpose of the expense. All UCIP Business Credit Card transactions will be reviewed and approved by the UCIP Board of Trustees. An employee will reimburse UCIP for any expenses not approved by the UCIP Board of Trustees as legitimate business expenses. Such expenses that are not reimbursed to UCIP within 30 days of notice to the employee of the Board's action may be deducted from the employees pay at the discretion of the Chief Executive Officer.

L. **Outside Employment**

No Pool employees may engage in any outside employment (including self-employment) or activity that, in the opinion of the Chief Executive Officer, might impair the performance of their duties or is detrimental to UCIP member service. Employees must notify the Chief Executive Officer of outside employment prior to engaging in such employment, or at any time that the terms of outside employment changes.

M. **Work Hours**

All full-time employees are expected to work their assigned schedule.

1. Hours are weekdays from 8:00 a.m. until 4:30 p.m. After Memorial Day and prior to Labor Day of each year, the Chief Executive Officer may implement at their discretion a "summer flex hours" program. Flex hour programs shall not exceed a program of employees working 10 hours a day for four days a

week, and in no case shall a flex hour program create the need for payment of overtime to any employee. The Chief Executive Officer may make changes to the flex hour program at any time at their sole discretion.

2. Each employee is allowed a thirty minute lunch period. The employee's actual amount of lunch time will be determined by the Chief Executive Officer. Employees are expected to coordinate with other employees and their supervisors to assure the office is appropriately staffed for receiving guests and phone calls throughout the work day. Employees are normally expected to be present during all other work hours unless special arrangements are made with the Chief Executive Officer from time to time for cause.
3. Generally, employees are not allowed to skip their lunch break to leave work early.

N. Absence Without Leave

No employee may be absent from duty without permission. All employees should notify their supervisor, the Chief Financial Officer, or the Chief Executive Officer prior to an absence. In emergency situations where prior notification is not possible, the employee should provide notification as soon as possible.

If a pattern (two or more) of unexplained or unexcused absences develops, employees may be subject to a discipline, up to and including termination.

O. Terminating Employment

All employment with UCIP is “at will” employment. An employee’s employment with UCIP may terminate in different ways, including but not limited to the following ways:

1. **Resignation.** Employees may resign at any time. However, as a courtesy, UCIP requests that employees give a minimum two weeks written notice so that UCIP has time to prepare final paperwork and arrange to assure minimal disruption to member service. Any earned and or accrued vacation and sick leave will be paid at the time of resignation in accordance with policies adopted by the Board of Trustees at the time of termination.
2. **De-facto Resignation.** Employees who are absent from work for three consecutive days and are capable of providing notice to their supervisor, but fail to do so, are considered to have voluntarily resigned.
3. **Involuntary Termination.** As an “at will” employer, UCIP may terminate an employee’s employment at any time.

P. Termination Pay

Employees who leave UCIP service for any reason will be paid the wages due them at the next regularly scheduled payday. UCIP will pay terminating employees for

earned and accrued vacation ~~time~~ leave. UCIP may also pay earned sick leave based on ~~policy~~ the Schedule of Discretionary Benefits in effect at the time of termination. Payment of earned and accrued vacation and sick leave due the employee based on ~~policies~~ the Schedule of Discretionary Benefits at the time of termination will also be paid at the next regularly scheduled payday.

SECTION II - COMPENSATION

All compensation provided to UCIP employees is determined or approved by the UCIP Board of Trustees. The UCIP Board may alter, amend, or supplement these policies and procedures at any time to the extent allowed by law.

A. Wages

It is the intent of UCIP to provide its employees with wages competitive with other similar employers in the Salt Lake County area. Employee wages are determined by the UCIP Board of Trustees and may be set based on analysis of wages for similar employers in the Salt Lake County area and in consideration of other benefits provided to employees to recognize the value of each employee's total compensation package.

B. Monthly Auto/Cell Phone Allowance

The UCIP Board of Trustees has approved monthly auto and cell phone allowances at rates identified in the Schedule of UCIP Discretionary Benefits to be paid to specific employees that regularly use their personal vehicle for travel or personal cell phone for authorized UCIP business. The Monthly Auto/Cell Phone Allowance is considered income for purposes of taxable income, and will be reported by UCIP as taxable income paid to the employee.

C. Cost of Living Adjustment

Adjustments to wages related to cost of living are recommended by the Chief Executive Officer, and approved at the sole discretion of the UCIP Board of Trustees.

1. Employee salaries may be adjusted annually to protect them from inflation of the local economy. COLA will be paid only if funds are available in the budget, and at the sole discretion of the Board of Trustees.
2. The UCIP Board of Trustees may consider in part the percentage increase (if any) of the U.S. Department of Labor, Consumer Price Index for the Salt Lake County Area as reported in January of each year, when considering any COLA type salary adjustment.

D. Merit Salary Increases

Merit adjustments to wages are recommended by the Chief Executive Officer and approved at the sole discretion of the UCIP Board of Trustees.

1. Merit salary increases for employees shall be considered annually on the basis of individual performance and performance of UCIP as an organization.
2. Merit salary increases shall only be granted upon recommendation of the Chief Executive Officer and approval of the Board of Trustees.

3. The effective date of any merit increase shall be the first pay period of the calendar year, unless otherwise determined by the Board of Trustees.

E. **Bonuses**

Individual bonuses may be recommended by the Chief Executive Officer. All bonuses must be approved by, and at the sole discretion of, the UCIP Board of Trustees.

F. **Discretionary Award**

Full-time employees may receive an annual award at the discretion of the Chief Executive Officer to be included with the first payroll of December. Limitations related to such award shall be determined by the UCIP Board of Trustees.

SECTION III - DISCRETIONARY BENEFITS

UCIP may add, alter or eliminate discretionary benefits at its discretion.

UCIP provides a variety of benefits to eligible employees dependent on their employee classification. ~~Among the benefits currently provided are a retirement program, a long-term disability insurance program, medical and life insurance plans, and a deferred income investment program.~~ Full-time employees are eligible for all discretionary benefits described in this section in accordance with the Schedule of Discretionary Benefits. Part-time employees are eligible for discretionary benefits as described throughout this section and the Schedule of Discretionary Benefits. Temporary employees are not eligible for any discretionary benefits unless required by law.

A. **Retirement**

In order to help its full-time and part-time employees plan and prepare for retirement, UCIP participates in the Local Government Public Employees' Noncontributory Retirement System administered by the Utah Retirement Systems (URS), as set forth in Utah Code Title 49, Chapter 13. UCIP contributions to the URS Local Government Public Employees' Noncontributory Retirement System are made in addition to, and not deducted from, eligible employee's regular pay. At the discretion of the UCIP Board of Trustees, UCIP may also provide matching contributions to the URS 401(k) Plan and/or the Nationwide 457 Plan. Employees may have additional amounts deducted from their regular pay to contribute to these plans, based on the policies of each plan.

B. **Group and ~~Medical~~ Health Insurance**

UCIP currently provides the following life and health benefits to full-time employees ~~and their dependents~~ and to part-time employees as described in the Schedule of Discretionary Benefits:

1. ~~Major medical and surgical~~ Health Insurance
2. ~~Dental Care~~ Insurance
3. ~~Vision Care~~ Insurance
4. Group Term Life
5. ~~Workers' Compensation (employees only)~~
6. Long term disability (covers employees only)

UCIP pays a percentage of the cost for ~~insurance coverage~~ each benefit of the employee and eligible dependents as determined by the Board of Trustees and shown in the Schedule of UCIP Discretionary Benefits. The cost of optional coverage and amounts above the basic package are the responsibility of the employee.

C. **Health Reimbursement ~~Program~~ Arrangement**

The UCIP Board of Trustees has adopted a Health Reimbursement Arrangement (HRA) in accordance with Internal Revenue Service Rules. The terms of ~~which are~~ the HRA are included in the Schedule of UCIP Discretionary Benefits. UCIP currently provides the HRA to full-time employees and to part-time employees as described in the Schedule of Discretionary Benefits. Employees who terminate employment with UCIP for any reason are not compensated for any unused funds without providing receipts for qualifying expenses incurred prior to termination.

D. **Holidays**

UCIP provides the following paid ~~h~~Holidays to full-time employees only. ~~to allow employees to enjoy a break in the work routine and to commemorate special Federal and State historical events and activities.~~

The first day of January – New Year's Day

The third Monday of January – Martin Luther King Day

The third Monday of February – Presidents' Day

The last Monday of May – Memorial Day

The 4th of July – Independence Day

The 24th of July – Pioneer Day

The first Monday of September – Labor Day

The second Monday of October – Columbus Day

The 11th of November – Veteran's Day

The fourth Thursday and Friday of November – Thanksgiving Day

The 25th of December – Christmas Day

When a paid ~~h~~Holiday falls on a Saturday, the day off will be observed on the Friday preceding the Holiday. When a paid ~~h~~Holiday falls on Sunday, the day off will be on the Monday following.

Should a ~~h~~Holiday occur while an employee is on vacation, the employee will not be charged with vacation on the day of the ~~h~~Holiday.

To be eligible for ~~h~~Holiday pay an employee must work the regular scheduled day prior to the ~~h~~Holiday, or the first regular scheduled day after the ~~h~~Holiday, or be on an authorized paid leave using vacation pay, sick leave pay, or accrued compensatory time etc.

If the Chief Executive Officer requests an employee to work on a scheduled Holiday, the Holiday may be used as a floating Holiday to be used prior to the end of the calendar year.

E. **Vacation**

UCIP provides paid vacation to employees according to the Vacation section of the Schedule of UCIP Discretionary Benefits. Vacation ~~time~~ leave is provided to allow employees a break from their work duties to rest and reinvigorate them. UCIP may require employees in fraud sensitive positions to take a minimum number of days of vacation per year. It is UCIP's intent to incent employees to use vacation ~~time~~ leave in the year it is earned. A policy to carry over vacation ~~time~~ leave is provided to allow employees to plan for extended vacations, and is not meant as a means for employees to "bank" significant vacation ~~time~~ leave. It is also UCIP's intent to incent employees to use vacation ~~time~~ leave in blocks of several days, rather than a day or two at a time.

~~Here are some general vacation policies:~~

Vacation ~~time~~ leave may be used in increments of no less than one half (1/2) hour.

Employees may generally use their vacation leave anytime; however, to assure quality of member service, all vacation ~~time~~ leave must be approved in advance by the employee's supervisor. To allow adequate time for the supervisor to consider requests for vacation leave, employees are encouraged to request vacation ~~time~~ leave as far in advance as possible, but generally not less than one week in advance of the beginning of the vacation period. If an employee feels their supervisor's denial of vacation ~~time~~ leave is unreasonable, they may ask for a review of the request for vacation leave by the Chief Executive Officer.

Legal ~~h~~Holidays occurring while an employee is on vacation leave are not deducted from an employee's accrued vacation ~~time~~ leave.

Vacation hours may be carried forward to succeeding years to the extent allowed by the policy of the UCIP Board of Trustees, as outlined in the Schedule of UCIP Discretionary Benefits.

~~Vacation time will not accrue while an employee is on an unpaid leave of absence, or when temporary total disability, due to a work related injury, exceeds 45 days.~~

Employees do not earn vacation leave while on an unpaid absence unrelated to an injury or illness, when a period of an employee's own illness or injury exceeds 45 days, or when temporary total disability, due to a work related injury, exceeds 45 days.

F. Sick Leave

UCIP provides compensated sick leave to full-time and part-time employees who cannot perform their normal duties as a result of non-work related illness, injury or physicians visits related to non-work related illness or injury. Employees are encouraged to build up sick leave so that days are available for serious illness. Employees who regularly use up sick leave will be counseled regarding the difficulties such a practice may create. Sick leave is a privilege and employees should use it responsibly. Intentional misuse of sick leave may be grounds for discipline, up to and including termination.

Eligible employees may earn sick leave at the rate identified in the Schedule of UCIP Discretionary Benefits. Employees may take sick leave for personal illness or to care for sick family members (spouse, child, or parent).

~~Here are some general sick leave policies:~~

Employees taking sick leave should provide notice at least one hour prior to beginning of shift in order to minimize disruption to the workplace.

Use of vacation ~~time~~ leave for absence from work due to an employee's own illness or injury will only be allowed when the employee has exhausted all earned and accrued sick leave. After exhausting all accrued sick and vacation ~~time~~ leave, the employee may be considered to be on an unpaid leave of absence at the discretion of the Chief Executive Officer.

Sick leave may be taken in increments no less than one half (½) hour.

Legal ~~h~~ Holidays occurring while a full-time employee is ill will not be deducted from an employee's earned or accrued sick leave.

Employees do not earn sick leave while on an unpaid absence unrelated to an injury or illness, when a period of an employee's own illness or injury exceeds 45 days, or when temporary total disability₁ due to a work related injury₁ exceeds 45 days.

After three (3) consecutive days of sick leave, at UCIP's discretion, an employee may be required to provide a doctor's certificate of disability or ability to return to work, with respect to any sick leave taken. If such certificate is not provided, the employee's absence may be considered an unpaid absence.

Sick leave may not be used for a work related injury or illness with the exception of the first three days of a short term disability if those days are not covered by workers compensation benefits.

G. Bereavement Leave

UCIP grants bereavement leave to employees who suffer the death of a member of the immediate family, or a close relative. It is the intent of UCIP to be considerate of an employee's special needs and to be supportive in the death of a loved one.

Accordingly, UCIP may provide the employee with paid time off from work to attend the funeral and to fulfill other responsibilities before the funeral without charge to the employee's earned or accrued sick or vacation ~~time~~ leave.

If an employee suffers the death of a close relative, and requests time off from work during the period of bereavement, the Chief Executive Officer may approve the request based on the following:

1. The necessity and appropriateness of the time off. The employee should be attending the funeral and/or have certain responsibilities to fulfill before the funeral.
2. The amount of time off:
 - a. If the deceased was a member of the employee's immediate family (spouse, child or child of a spouse, parent or parent of a spouse, sibling or sibling of a spouse, brother or sister-in-law, grandparents, and grandchild or grandchild of a spouse), the employee may have paid time off up to five (5) days at any time between the death and the day of the funeral.
 - b. For other close relatives (aunt, uncle, niece, or nephew of either the employee or spouse) the employee may have paid time off for the day of the funeral.
3. The pay for bereavement leave will be based on the employee's current rate of pay and the number of hours in the employee's normal work~~day~~ week. Employees may request additional days off and use accrued vacation or leave without pay, as approved by the Chief Executive Officer.
4. In the event of the death of a member of the immediate family while an employee is on vacation, the vacation will be extended by the amount of time normally authorized as outlined above.

H. Family and Medical Leave

UCIP complies with all applicable requirements of the Family and Medical Leave Act of 1993 (FMLA).

1. An employee's use of FMLA will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave. However, the employee must first use any accrued vacation, compensatory time, and sick

leave during the FMLA leave period. In calculating the twelve (12) week FMLA limit, all paid leave will be included.

2. UCIP has adopted the calendar year as the basis for determining FMLA eligibility. However UCIP retains the right to change the eligibility period when it is determined to be in the best interest of UCIP to do so in terms of administration.
3. Upon returning from FMLA leave, most employees will be reinstated to the same, or equivalent, position with equivalent pay, benefits, and other employment terms as previously provided. There will be no loss of benefits that accrue prior to the start of the employee's leave.

I. Jury Duty

Every employee will be granted an unpaid leave of absence when subpoenaed or ordered to appear as a juror or witness by the Federal Government, State of Utah, or political subdivision thereof. If the employee turns over the juror or witness fee to UCIP along with a copy of the subpoena, UCIP will pay the employee's regular compensation during the period of jury service. Travel time to or from juror or witness duty is also considered an approved absence, but UCIP will not pay any overtime regardless of the amount of jury service time and jury travel time. UCIP will not pay for jury duty related mileage regardless of whether the subpoena requires travel during work hours.

J. Education Assistance

UCIP employees are encouraged to seek further education to perform their jobs more effectively and to enhance their professional development. UCIP may subsidize the education expenses of employees under specified circumstances. This policy is subject to availability of funds, and applies only to full-time employees.

1. **Program Eligibility.** The education program must provide a benefit to UCIP by directly relating to the work the employee currently performs or will be required to perform. Eligibility of the education program will be determined by, and must be approved by, the Chief Executive Officer.
2. **Reimbursement.** Education assistance shall not exceed \$500 in any one year. Tuition costs shall not be carried into the next budget year for reimbursement.
3. **Procedures.**
 - a. Employees are encouraged to attend classes and study during non-working hours. In the alternative, the Chief Executive Officer may flex an employee's work schedule to allow the employee to attend classes and study for exams.

- b. To receive education assistance, an employee must receive approval from the Chief Executive Officer prior to commencement of the class. Employees are encouraged to discuss education assistance well in advance of the commencement of classes, to allow the expense to be appropriately budgeted.
 - c. To be reimbursed, the employee must complete the approved class with a final grade of "C" or better. If the course is only offered on a pass/fail basis, the employee must receive a passing grade.
 - d. The employee must submit proof of a satisfactory grade and proof of tuition payment to the Chief Executive Officer prior to reimbursement.
4. **Required Classes.** If UCIP requires an employee to attend an education program or class, UCIP shall pay the full cost of the program or class.

SECTION IV - STANDARDS OF CONDUCT

UCIP expects its employees to conduct themselves diligently and honorably in their assignments on behalf of the public. Employees should:

1. Work diligently on their assigned duties during their assigned work schedules.
2. Make prudent use of Pool funds, equipment, buildings, supplies, and time.
3. Work courteously with coworkers and the public.
4. Observe work place rules of conduct and safety.
5. Meet the standards of their individual job descriptions.
6. Report and correct circumstances that prevent employees from performing their jobs effectively or completing their assigned tasks.

A. Employee Discipline

Employees who violate Pool policy are subject to discipline. Discipline may include, but is not limited to, reprimand, probation, reassignment, transfer, suspension, reduced pay, demotion, termination or any other action deemed appropriate by the Chief Executive Officer. Grounds for discipline may include, but are not limited to:

1. Inefficiency;
2. Incompetence;
3. Failure to maintain skills;
4. Inadequate performance levels;
5. Neglect of duty;
6. Misconduct;
7. Inability to work in harmony with coworkers;
8. Rudeness to the public;
9. Disobedience of a reasonable order of a supervisor;
10. Dishonesty;
11. Insubordination;
12. Misappropriation or damage to Pool funds or property;
13. Misuse of Pool funds or property;

14. Tardiness;
15. Unapproved absences;
16. Any act inimical to public service; and/or
17. Felony convictions and other violations of state and federal law.

This list is not exhaustive and is set forth as a guideline, and in no way waives or modifies the at-will relationship between UCIP and its employees. This list should **not** be construed as preventing or limiting UCIP from taking disciplinary action, including termination, in circumstances where UCIP deems such action to be appropriate, regardless of whether UCIP has specifically identified a written rule or policy. Similarly, employees may be disciplined for violations of Pool policy found in other sections of this manual, violations of State or Federal law, or violations of relevant policies, rules or laws promulgated elsewhere.

B. Drug Free Workplace

UCIP is committed to providing a safe work place and ensuring the safety of the general public and expects your cooperation in this effort.

The purpose of this policy is to implement the Federal Drug Free Workplace Act of 1988 by providing for a safe and productive work environment that is free from impaired performance caused by employee use or abuse of controlled substances, medication, and/or alcohol. This policy establishes procedures for controlling drug or alcohol use or abuse in the workplace and applies to all employees. Impaired means a Significant Measurable Quantity (SMQ) or impermissible quantity of a drug, including alcohol, that indicates a positive drug and/or alcohol test in violation of UCIP's written policy. The SMQ for drugs is established by the Federal Department of Health and Human Services and is subject to change. The SMQ for alcohol is based on the Federal Highway Administration (FHWA) and is subject to change. Impermissible quantities are listed below:

Drug	Screening (ng/ml)	Confirmation (ng/ml)
Marijuana	50	15
Cocaine	150	100
Meth/Amphetamine ¹	500	250
Opiates	2000	2000
Phencyclidine (PCP)	25	25
Barbiturates	300	300

Benzodiazepines	300	300
Propoxyphene	300	300
Methadone	300	300
Alcohol	0.04	0.04

¹Amphetamine must be present, in a concentration greater than 200 ng/ml, to report a specimen positive for methamphetamine. If the amphetamine concentration is less than 200 ng/ml, a 1-methamphetamine analysis must be performed. When the 1-methamphetamine percentage is greater than 80%, the specimen is reported as negative.

1. Responsibility of Employees

- a. No employee shall unlawfully manufacture, dispense, possess, use, or distribute any controlled substance, medication, or alcohol.
- b. Any employee convicted under a federal or state statute regulating controlled substances shall notify his or her supervisor within five (5) days after the conviction.
- c. No employee shall consume alcohol immediately before work, during work hours while at work, during breaks, or during lunch. No employee shall be impaired by alcohol, illegal drugs, or medication during work hours. No employee shall represent UCIP in an official capacity while impaired by alcohol, illegal drugs, or medication.
- d. If an employee is using medication that may impair performance of duties, the employee shall report that fact to his or her supervisor.
 - (i) No employee using medication that may impair performance shall operate a motor vehicle on behalf of UCIP.

2. Reasonable Suspicion Testing

- a. Any employee who has reason to believe that the performance of another employee is impaired by alcohol, illegal drugs, or medication shall notify the impaired employee's supervisor. At the request of the employee's supervisor, the employee suspected of being under the influence of alcohol and/or drugs shall submit to a chemical test of their bodily fluids. Refusal to submit to a test shall be deemed a violation of this policy subject to disciplinary action, up to and including termination.

The cost of the test shall be paid by UCIP.

3. Corrective Action

- a. The Chief Executive Officer or the supervisor of an employee, whose performance is impaired by alcohol, illegal drugs, or medication, shall take corrective action, which may include discipline.
- b. Upon taking corrective action, the Chief Executive Officer shall prepare a written report stating the reasons for the action.
- c. An employee impaired by illegal drugs or alcohol during work hours shall be relieved from duty and shall be charged earned or accrued vacation leave for the absence.
- d. An employee impaired by medication during work hours may be relieved from duty and shall be charged earned or accrued sick leave for the absence.
- e. The Chief Executive Officer may change an employee's assignment while the employee is using medication, if the employee is impaired by the medication.
- f. If the Chief Executive Officer has reason to believe that an employee may be abusing an illegal drug, medication, or alcohol, the Chief Executive Officer may refer the employee to an evaluation program for the purpose of obtaining a diagnosis.
 - (i) The cost of the evaluation and any necessary testing shall be paid by UCIP.

4. Treatment Program

- a. If an employee admits abusing an illegal drug, medication, or alcohol, or if it is determined by a medical or other recognized professional diagnosis that an employee is abusing an illegal drug, medication, or alcohol, the Chief Executive Officer may refer the employee to a treatment program based on the severity of the condition.
 - (i) The employee shall participate in the treatment program at the employee's expense.
 - (ii) The Chief Executive Officer may change an employee's assignment while the employee is enrolled in a treatment program.
- b. An employee participating in a treatment program shall use accumulated leave consistent with the sick leave policy for any absence.

- c. The employee shall provide documentation of successful completion of the treatment program.
 - (i) After the employee's successful completion of the treatment, the Chief Executive Officer shall reinstate the employee to the employee's former or equivalent position.
- d. The employee shall sign a release to allow communication between the Chief Executive Officer and the treatment provider. All such communication shall be maintained in a confidential file separate from the employee's personnel file.
- e. The Chief Executive Officer may dismiss an employee who refuses to enroll in a treatment program, fails to successfully complete the program, or fails to provide documentation of completion.
- f. The Chief Executive Officer may reassign an employee returning from treatment.

C. Sexual Harassment

UCIP believes that a workplace free from hostile, intimidating, or offensive behavior is the most productive workplace. Employees should use courtesy and professionalism when interacting with coworkers.

Sexual Harassment means “Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment” (Equal Employment Opportunity Commission Guidelines, Section 1064.11).

All employees are responsible for ensuring that the workplace is free from all forms of sexual harassment.

- 1. Sexual harassment encompasses a wide range of behaviors, including sexual attention, sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature.
- 2. Examples of sexual harassment may include, but are not limited to the following:
 - a. Implying or threatening adverse employment actions if sexual favors are not granted.

- b. Promising preferential treatment in return for sexual favors.
 - c. Subtle pressure for sexual activity.
 - d. Inappropriate touching of any individual i.e. petting, pinching, hugging, or repeated brushing against another employee's body.
 - e. Offensive remarks, including unwelcome comments about appearance, obscene jokes, or other inappropriate use of sexually explicit or offensive language
 - f. The display of sexually suggestive objects or pictures.
 - g. Disparaging remarks about a person's gender.
 - h. Spreading stories about a person's sexual conduct.
 - i. Questions about a person's sexual activity.
 - j. Physical aggression such as pinching or patting.
 - k. Verbal sexual abuse disguised as humor.
 - l. Obscene gestures.
 - m. Horseplay or bantering of a sexual or off-color nature.
 - n. Other actions of a sexual nature that affect the terms and conditions of a person's employment.
 - o. Conduct or comments consistently targeted at only one gender, even if the content is not sexual.
3. UCIP considers prompt reporting of harassment to be a condition of your employment. If you believe that you have experienced or witnessed sexual harassment, you must immediately report your concern to the Chief Executive Officer. If you feel uncomfortable reporting to the Chief Executive Officer, contact a member of the UCIP Board of Trustees.
 4. UCIP will not retaliate against any person who reports sexual harassment unless the report was false and was made maliciously.
 5. UCIP will investigate allegations of sexual harassment and will take appropriate action against any person found to have violated this policy. Individuals who engage in sexual harassment are subject to discipline, up to and including termination.

D. **Discrimination/Harassment Based on Other Protected Categories Prohibited**

UCIP believes that a workplace free from hostile, intimidating, or offensive behavior is the most productive workplace. Employees should use courtesy and professionalism when interacting with coworkers. Employees who discriminate or harass others based upon their color, national origin, age, religion or disability are subject to discipline, up to and including termination. All employees should work together in a professional manner with courteous, mutual respect.

Discrimination or Harassment based on color, national origin, age, religion or disability encompasses a wide range of behaviors, including racially based derogatory comments, taunting, or treatment. Examples of protected category harassment may include, but are not limited to, the following:

1. Slurs or put-downs based on color, national origin, age, religion or disability.
2. Materials such as cartoons or e-mails making fun based on color, national origin, age, religion or disability.

UCIP considers prompt reporting of discrimination or harassment to be a condition of your employment. If you believe that you have experienced or witnessed discrimination or harassment based on color, national origin, age, religion or disability, you must immediately report your concern to the Chief Executive Officer. If you feel uncomfortable reporting to the Chief Executive Officer, contact a member of the Board of Trustees.

UCIP will investigate allegations of protected category discrimination or harassment and will take appropriate action against any person found to have violated this policy. Individuals who engage in protected category discrimination or harassment are subject to discipline, up to and including termination.

E. **Computer and E-Mail Usage**

UCIP recognizes that excessive personal use of UCIP-owned computers during work hours can affect productivity. UCIP reserves the right to monitor computer usage, files stored on UCIP computers and Internet usage.

For purposes of this policy, “files” means all documents, programs, e-mail, and Internet locations that are created, accessed, stored, or temporarily located on a UCIP computer.

1. **Personal Use.** Employees may use assigned computers for limited personal purposes. This approval is similar to the occasional personal use of telephones during breaks. Excessive use of the computer for personal reasons is not allowed.
2. **Inappropriate Usage.** Employees are not allowed to use a computer for self-employment, or outside employment purposes. Entering or maintaining

information on a Pool computer that is in violation of UCIP's policies and procedures, or that violates state or federal law, is prohibited.

3. **Privacy.** All files created, accessed, or stored on a UCIP computer are considered UCIP property. Employees are advised that there is no right to privacy when using a UCIP Computer. As a public agency, all data and files created, accessed, or stored on a UCIP computer may be subject to governmental records access laws, and may become public in compliance with such laws.
4. **Licenses.** Employees shall use computer software only in accordance with the license agreement. Copying software licensed to, or developed by, UCIP for personal computer use or any other purpose is prohibited. Bringing software from personal computers to run on UCIP computers is also prohibited. Downloading of software onto UCIP computers is prohibited unless prior authorization has been provided by the Chief Executive Officer.
5. **Equipment.** Only authorized employees may purchase, move, alter, or repair computer equipment and wiring.
6. **E-mail.** Employees may use UCIP's e-mail functions as explained above.
7. **Internet Access.** Internet usage falls within the above constraints.
8. **Disciplinary Action.** Employees using Pool computers in an unauthorized or inappropriate manner may be subject to discipline up to and including termination.

F. **Seat Belt Use**

Employees must use seatbelts while in vehicles performing UCIP business which includes travel eligible for reimbursement by UCIP.

G. **Cell Phone Use**

Cell phones should not be used while in vehicles performing UCIP business which includes travel eligible for reimbursement by UCIP when it is a distraction to driving. Whenever possible, the employee should use hands free phone equipment or pull over when safe to continue or return the phone call.

H. **Acceptance of Gifts, Compensation or Loans**

As public agency employees, UCIP employees are required to comply with Utah Code §67-16-5 as amended. Employees must notify the Chief Executive Officer of all gifts accepted by individual employees. Gifts offered to the staff as a group will be approved by the Chief Executive Officer prior to acceptance. Failure to comply with this policy may result in discipline up to and including termination.

SCHEDULE OF UCIP DISCRETIONARY BENEFITS

UCIP will provide the benefits outlined in the UCIP Employee Manual at the rates and under the terms and conditions described within this Schedule of UCIP Discretionary Benefits. All **benefits described may be amended from time to time by action of the UCIP Board of Trustees**, at their sole discretion. ~~All benefits described are based on full-time employment. For those benefits for which part-time employees are eligible, part-time employees will receive the pro-rata amount of the full-time benefit calculated as the part-time hours worked by the employee divided by 40 hours.~~

Retirement Account Contributions

Pension Plan. UCIP pays the required employer retirement contributions as certified annually into the Local Governmental Public Employees' Noncontributory Retirement System administered by the Utah Retirement Systems (URS) for the plan that the employee is eligible. Eligibility of part-time employees will be determined by the rules of the URS plans.

Individual Retirement Accounts. Employees who contribute into individual retirement accounts through payroll deduction will receive matching contributions from UCIP. All matching contributions will be deposited into the URS 401k Plan and/or the Nationwide 457 Plan at the employee's discretion. The total UCIP matching contributions shall not exceed five percent of the employee's eligible payroll.

Health Insurance

For the UCIP sponsored group health insurance coverage, UCIP pays 90% of the monthly premiums for employee coverage and 90% of the monthly premiums for the employee's spouse and eligible dependents coverage for all full-time employees. Part-time employees will receive the pro-rata amount of the full-time employer paid monthly premiums calculated as the part-time hours worked by the employee divided by 40 hours. The employee is responsible for all deductibles and co-payments. An employee may elect not to utilize the health insurance coverage offered by UCIP. UCIP does not exchange health insurance premiums for pay to employees who do not utilize the health insurance coverage offered by UCIP.

Dental and ~~Optical~~ Vision Insurance

For the UCIP sponsored group dental and ~~optical~~ vision insurance coverage, UCIP pays 90% of the monthly premiums for employee coverage and 90% of the monthly premiums for the employee's spouse and eligible dependents coverage for all full-time employees. Part-time employees will receive the pro-rata amount of the full-time employer paid monthly premiums calculated as the part-time hours worked by the employee divided by 40 hours. The employee is responsible for all deductibles and co-payments. An employee may elect not to utilize the dental and/or vision insurance coverage offered by UCIP. UCIP is not required to exchange dental and/or vision insurance premiums for pay to employees who do not utilize the health insurance coverage offered by UCIP.

Long Term Disability

~~In compliance with Utah Code §49-21-101 et. seq. as amended, Public Employees Long Term Disability Act, UCIP shall pay 100% of contributions to the fund created under the Act for all eligible employees, to provide benefits as provided for in the Act. Eligibility of part time employees will be determined in accordance with the Act.~~

For the UCIP sponsored group Long Term Disability coverage, UCIP utilizes the Public Employees' Long Term Disability Fund to provide a benefit for lost wage replacement for employees in the event of a long term disability. UCIP pays 100% of contributions to the Fund created under the Public Employees' Long Term Disability Act, Utah Code §49-21-101 et. seq. as amended (the Act).

Health Reimbursement Program Arrangement

~~UCIP will deposit \$41.70 each full calendar month worked up to a maximum of \$500 annually into a Health Reimbursement Account (HRA) for each employee. Employees may be reimbursed from their account for the cost of an eligible expense. An eligible expense is defined as those expenses paid for care as described in Section 213(d) of the Internal Revenue Code. The eligible expense must have been incurred on or after the date an employee is enrolled in the HRA program. Funds in the account at the end of the year will be rolled over into the account for the following year.~~

For each calendar month an employee has worked, UCIP will contribute into a Health Reimbursement Arrangement (HRA), as allowed by the Internal Revenue Service (IRS), \$50 up to a maximum of \$600 per year. Unused amounts in the HRA at the end of the calendar year can be carried forward for reimbursement in later years.

Employees may request to be reimbursed the cost of an qualified medical expense, as defined in Section 213(d) of the IRS Code. The qualified medical expense must have been incurred on or after the date an employee is enrolled in the HRA program and prior to the employee's termination from employment. Employees terminated from employment must submit a valid reimbursement request within 60 days of the date of termination from employment.

Group Term Life Insurance

~~For~~The UCIP sponsored group term life insurance coverage is available to full-time employees only. UCIP pays 100% of the monthly premiums for \$50,000 coverage for the employee and 100% of the monthly premium for \$10,000 coverage for the employee's spouse and eligible dependents.

Auto Allowance

UCIP provides specific employees who regularly use their personal auto for UCIP business a Monthly Auto Allowance of \$750. The employee will be reimbursed for mileage only when the mileage for a UCIP approved business trip exceeds the Mileage Reimbursement Threshold of 100 Miles round trip.

Cell Phone Allowance

UCIP provides specific employees, as identified by the UCIP Board of Trustees, who regularly use their personal cell phone for UCIP business, a Monthly Cell Phone Allowance of \$75.

Vacation

Eligible Full-time employees with less than five years of service earn vacation leave at the rate of ~~one day~~ eight hours of vacation leave for every month worked (~~one day~~ eight hours for each full month of service). Full-time employees with more than five but less than ten years of service earn ~~18.25 days~~ hours per month, and full-time employees with ten years of service and over earn ~~18.67 days~~ hours per month. Part-time employees will receive the pro-rata amount of the full time benefit calculated as the part time hours worked by the employee divided by 40 hours.

Vacation leave may be advanced to employees with the approval of the Chief Executive Officer. Advanced vacation leave requests of totaling more than ~~12~~ five days must be submitted to the UCIP Board of Trustees for approval. Advanced leave not earned prior to a termination will be deducted from the employee's final pay check.

At the discretion of the Chief Executive Officer an employee may be allowed to be paid out all or part of their earned vacation leave, at the current rate of pay.

Vacation hours may be carried forward to succeeding years. However, no more than 45 days (360 hours) may be ~~accumulated~~ carried forward to succeeding years. All accumulated vacation leave above 45 days at the end of the calendar year will be paid to the employee at the current rate of pay ~~at the end of the calendar year.~~

Sick Leave

Eligible Full-time employees earn sick leave at a rate of ~~one day~~ eight hours of leave for every month worked (~~one day~~ eight hours for each full month of service). ~~Sick leave is earned in whole day increments only.~~ Part-time employees will receive the pro-rata amount of the full time benefit calculated as the part time hours worked by the employee divided by 40 hours

~~A limit of 75 days (600 hours) of earned sick leave may be accrued and carried forward to succeeding years. Earned or accrued sick leave exceeding this limit may be converted to additional vacation time at the rate of one day sick leave equals one half (1/2) day additional vacation time and may either be added to the employee's accrued vacation or paid to the employee, at the rate of pay that the sick leave was earned, at the end of the calendar year.~~

Sick leave hours may be carried forward to succeeding years. However, no more than 75 days (600 hours) may be carried forward to succeeding years. All accumulated sick leave above 75 days at the end of the calendar year will be converted to vacation leave at the rate of eight hours earned sick leave equals four hours vacation leave.

An employee may not be allowed to be paid out all or part of their earned sick leave.

The sick leave hours earned by employees who leave UCIP service for any reason other than De-facto Resignation or Involuntary Resignation, as described in this manual, will be

converted to vacation leave at the rate of eight hours earned sick leave equals four hours vacation leave and paid out as vacation leave at the next regularly scheduled payday.

Sick leave may not be converted to vacation leave for purposes other than at termination or carrying over the maximum sick leave hours at year end as described in this section.

Discretionary Award

Discretionary awards may not exceed \$250 per employee.

Utah Counties Indemnity Pool

INCREASED CYBER LIABILITY LIMITS ENDORSEMENT

This endorsement attaches to and forms part of **Addendum** No. **UCIP-15.01.01**.

The effective date of this endorsement is January 1, 2016.

The Limits of Liability section of the Cyber Liability and Expense Coverage Endorsement is amended as follows as respects Davis County only:

1. Limits of Liability

- A. The limits of liability stated below establish the most the Pool will pay regardless of the number of Cyber Security Events, Covered Persons, Claims made, Suits or Regulatory Proceedings brought or individuals or entities making Claims or bringing Suits or Regulatory Proceedings.
- B. The following general aggregate limit applies: The Pool will pay no more than \$4,000,000, less applicable deductible amounts, for the sum of the following in any one Pool fiscal year:
 - i. All damages and Claim Expenses covered under Section 1.A;
 - ii. All Privacy Response Expenses covered under Section 1.B; and
 - iii. All Regulatory Penalties and Claim Expenses covered under Section 1.C.
- C. The following per Cyber Security Event limit applies: Subject to the general aggregate limit specified in Section 3.A, for any one Cyber Security Event, the Pool will pay no more than \$4,000,000, less the applicable deductible amount, for the sum of the following:
 - i. All damages and Claim Expenses covered under Section 1.A;
 - ii. All Privacy Response Expenses covered under Section 1.B; and
 - iii. All Regulatory Penalties and Claim Expenses covered under Section 1.C.

This Cyber Security Event limit is within the general aggregate limit specified in Section 3.A. and does not add to that limit.

D. The following sublimit applies: Subject to the general aggregate and per Cyber Security Event limits specified in Sections 3.B and 3.C, the Pool will pay no more than \$1,000,000 in aggregate, less applicable deductible amounts, for all Privacy Response Expenses covered under Section 1.B. This sublimit is within the general aggregate and per Cyber Security Event limits set forth in Sections 3.B and 3.C. and does not add to those limits.

E. The following sublimits apply:

- i. Subject to the general aggregate and per Cyber Security Event limits specified in Sections 3.B and 3.C, the Pool will pay no more than \$100,000 in aggregate, less applicable deductible amounts, for all Regulatory Penalties covered under Section 1.C.
- ii. Subject to the general aggregate and per Cyber Security Event limits specified in Sections 3.B and 3.C, the Pool will pay no more than \$100,000 for all Claim Expenses covered under Section 1.C.

These sublimits are within the general aggregate and per Cyber Security Event limits set forth in Sections 3.B and 3.C. and do not add to those limits.

Subject otherwise to all terms, clauses and conditions of this **Addendum**.

**ANNUAL NOTICE OF REGULAR MEETING SCHEDULE OF THE BOARD OF
TRUSTEES OF THE UTAH COUNTIES INDEMNITY POOL**

PUBLIC NOTICE is hereby given that the 2016 Annual Meeting schedule of the Board of Trustees of the Utah Counties Indemnity Pool is as follows:

Regular meetings of the Board of Trustees of the Utah Counties Indemnity Pool will be held on the dates, at the times and at the location of 5397 S Vine Street, Murray, Utah or the specific city listed below unless otherwise changed by action of a quorum of the Board of Trustees of the Utah Counties Indemnity Pool.

TENTATIVE REGULAR MEETING DATES FOR 2016

February 18, 12:30 p.m.
April 21, 12:30 p.m.
June 3, 9:00 a.m., (Strategic Planning)
August 18, 12:30 p.m.
October 20, 12:30 p.m.
December 15, 12:30 p.m.

A regular meeting may be canceled without notice by action of a quorum of the Board of Trustees. When, because of unforeseen circumstances, it is necessary for the Board of Trustees to hold an emergency meeting to consider matters of an emergency or urgent nature, the best notice practicable shall be given. No such emergency meeting of the Board of Trustees shall be held unless an attempt has been made to notify all of the members of the Board of Trustees and there is a majority vote in the affirmative to hold the meeting.

All regular meetings of the Board of Trustees shall be open to the public unless closed by the Board of Trustees in the manner described in §52-4-4, Utah Code Annotated, 1953 as amended, and, for a purpose described in §52-4-5, Utah Code Annotated, 1953 as amended.

ADOPTED AND APPROVED THIS 17 DAY OF December, 2015.

BOARD OF TRUSTEES,
UTAH COUNTIES INDEMNITY POOL



Bruce Adams, President



SUNDAY, MARCH 6

2:00 PM – 5:00 PM

REGISTRATION & INFORMATION DESK

5:00 PM – 7:00 PM

WELCOME RECEPTION

MONDAY, MARCH 7

7:00 AM – 5:00 PM

REGISTRATION & INFORMATION DESK

7:30 AM – 8:45 AM

BREAKFAST

FIRST TIME ATTENDEE BREAKFAST

8:00 AM – 8:45 AM

\$OURCE GAME FOURTH ROUND RESULTS & FIFTH ROUND DECISIONS

Ann Conway, Managing Director, Maureen Stazinski, Senior Consultant & Julie Hagerstrand, Consultant, Towers Watson

For pre-registered \$OURCE Game participants. The \$OURCE (Simulated Operating and Underwriting Results in a Competitive Environment) Game offers participants the opportunity to observe the causes and effects of their teams' decisions on an entity's financial results. Participants will gain a greater understanding of the business realities of the competitive insurance/pooling marketplace, accounting interactions between the balance sheet and income statement, and the importance of understanding financial implications of the product management process. The two conference sessions will complement

four pre-conference webinar sessions. **Sign up on the online registration form before February 1 to participate!** Final results – and the winning team – will be presented on Tuesday morning.

9:00 AM – 10:15 AM

Keynote Presentation

CYBERSECURITY AND CYBERWAR: WHAT EVERY POOL NEEDS TO KNOW

P.W. Singer, Strategist and Senior Fellow, New American Foundation

A generation ago, "cyberspace" was just a term from science fiction, used to describe the nascent network of computers linking a few university labs. Today, our entire modern way of life, from communication to commerce to conflict to business operations, fundamentally depends on the Internet. Resulting cybersecurity issues mean pools face new and increasingly complex risk questions not just as entities of their own, but also as membership organizations with obligations to local municipal members and citizens. And yet, there is perhaps no issue that has grown so important, so quickly, and that touches so many, that remains so poorly understood. Join P.W. Singer, acclaimed author of several books including *Cybersecurity and CyberWar: What Everyone Needs to Know*, for a better understanding of cyber issues and what your pool can do to mitigate the risks.

10:30 AM – 11:30 AM

Concurrent Sessions

ADVANCED ACTUARIAL CONCEPTS

Mujtaba Dattoo, Actuarial Practice Leader, Aon Risk Solutions

This session, appropriate for pool Board members and staff, complements the actuarial concepts that will be presented in the Pooling Basics track. From pooling fundamentals, one learns how to *compute* the largest element on the balance sheet – reserves. In this session, we will dig deeper to try to *understand* the reserve estimates, determine whether the estimate makes sense, and uncover the risk inherent in any estimate. Mujtaba Dattoo will de-mystify the science of actuarial concepts and encourage you to bring back meaningful questions for your own actuary.

DEVELOPING A STRATEGIC APPROACH TO MEMBER COMMUNICATIONS

Susan Schoepke, Marketing Manager, League of Minnesota Cities; Amy Guilford, Associate Director, Property/Casualty Pool and Workers' Compensation Fund & Lisa Truscott, Chief Administrative Officer, SET SEG

With the expected generational turnover in the next ten years and Millennials entering the workforce, pools need to rethink how, when, what and why they are communicating with external audiences. In this

session, two organizations will discuss their respective goals and tactics to implement a strategic, consistent, targeted and planned approach to member communications.

NAVIGATING SIGNAGE REGULATION

Michael Otworth, Senior Claim Unit Manager, Genesis Management & Insurance Services Corporation & Benjamin Eggert, Partner, Wiley Rein LLP

In June 2015, the U.S. Supreme Court upended the complex legal framework for the regulation of temporary, informational signs by municipalities. This session will examine the major constitutional issues that arise when a local government enforces or enacts sign regulations, and provide ways pools can help their members navigate this new wave of constitutional challenges.

PARLIAMENTARY PROCEDURES FOR POOL BOARDS

Ann Macfarlane, Professional Registered Parliamentarian, Jurassic Parliament

Robert's Rules of Order can be intimidating, but it doesn't have to be that way. In this fully interactive workshop, attendees will learn essential principles and practice the tools and techniques to use Robert's Rules effectively. You will learn about the role of the chair and rights of other Board members, how to strengthen your Board's decision-making process, and how to handle difficult scenarios with fellow Board members or pool members. The result: smooth, efficient and fair Board meetings.

11:45 AM – 12:45 PM

Concurrent Sessions

PUBLIC ENTITY DRONE USE & RELATED CONSIDERATIONS

This session will provide an overview of common and emerging public entity uses of drones, the opportunities and risks presented by such uses, and related pooling considerations.

FROM COMPETITORS TO PARTNERS

Frank Stratton, Executive Director, Special Districts Association of Oregon; Lisa Freiley, Director of Labor and PACE Services, Oregon School Board Association and Property and Casualty Coverage for Education Trust (PACE); & John Rexford, Superintendent, High Desert Education Service District and Trustee, Property and Casualty Coverage for Education Trust (PACE)

This session will outline how two Oregon pools decided that forming a partnership was the best direction for providing the best possible coverage, price, and service to Oregon's school districts. Learn how they went from bitter rivals to partners, and the obstacles, steps, and opportunities they faced along the way.

COLLIDING DYNAMICS – MAPPING HEAD INJURY PREVENTION

Brett Carruthers, Director of Risk Management, New York Schools Insurance Reciprocal

This session will discuss the development of a comprehensive head injury prevention program for a school insurance reciprocal. Hear from one pool that implemented such a program, and learn about the decision-making process and components of this initiative.

PARLIAMENTARY PROCEDURES FOR POOL BOARDS, *CONTINUED*

Ann Macfarlane, Professional Registered Parliamentarian, Jurassic Parliament

A continuation of the previous session.

1:00 PM – 2:15 PM

LUNCH & AWARDS FOR EXCELLENCE AND ADVISORY STANDARDS RECOGNITION

2:30 PM – 3:30 PM

Concurrent Sessions

DIABESITY: THE EPIDEMIC THAT POOLS CANNOT IGNORE

Michelle Despres, Vice President, National Product Leader, Align Networks

Diabesity – the intersection of obesity and diabetes – is associated with increased medical costs, higher indemnification costs, slower recovery times and heightened risk for re-injury. This session will discuss the diabesity epidemic, what it means for pools and their members, and identify best practices for managing claims related to these conditions.

MEDICAL MARIJUANA

Richard Spiers, Vice President, Claims Department, Genesis Management & Insurance Services Corporation & Thomas Lyons, Attorney, Hall & Evans, LLC

This session will impart current information on the scope of the marijuana economy throughout this country, the legal controversies being fueled by the subject and the ethical dilemmas posed by the trade for professional counselors and advisors in multiple fields.

USING ERM TO ENHANCE DECISION-MAKING: PART 1

Scott Moss, Property/Casualty Trust Director, CIS & Maryann Sherkat, Legal Counsel & Risk Officer, Municipal Insurance Association of British Columbia

ERM can help you create or enhance a decision-making process useful to any number of pool issues. Hear from pooling executives and Board members to learn about key concepts of ERM, implementation lessons specific to pooling operations, ways ERM has improved decision-making at the Board level, and problems

ERM cannot solve for an organization. The first part of this presentation will establish preliminary set-up for a discussion exercise in Part 2.

POOLING BASICS: ACTUARIAL, FINANCIAL, AND UNDERWRITING FOR POLICYMAKERS

Joel Kress, Director of Special Projects, Association of Governmental Risk Pools

The first of two pooling basics presentations, which together will provide a soup-to-nuts overview of everything someone new to pooling might need or want to know! Material will be shared in traditional presentation style, with subject matter experts engaged throughout for group discussion and opportunities for peer-to-peer collaboration. This session will cover actuarial rate and funding studies, financial management, and underwriting for people not charged with doing such analytical work, but in acting on the results. It is recommended that pooling basics attendees go to Ann Macfarlane's Parliamentary Procedures for Pool Boards earlier on Monday.

3:45 PM – 4:45 PM

Concurrent Sessions

SHOULD I STAY OR SHOULD I GO? – A NURSE TRIAGE SUCCESS STORY

Shelley Hall, Director of Claims, Arizona School Alliance for Workers' Compensation

Nurse triage ensures that when an employee has a work-related illness or injury they receive the right care, at the right time, in the right setting. Hear one AGRiP member pool's experience with implementing an in-house nurse triage service and the positive impact it has had for their members.

COURT CASES, REGULATORY SHIFTS, AND CAUTIONARY TALES

Kirk Mylander, General Counsel, CIS; Robert Spolzino, General Counsel, Public Employer Risk Management Association; & Geoffrey Beauchamp, General Counsel, Delaware Valley Insurance Trust

Pooling regulation and oversight is state specific and can vary widely from one environment to the next. This panel presentation will provide opportunity to hear case studies from pools in several different states, swapping stories about related pooling news to gain perspective into shifts worth watching.

USING ERM TO ENHANCE DECISION-MAKING: PART 2

Scott Moss, Property/Casualty Trust Director, CIS & Maryann Sherkat, Legal Counsel & Risk Officer, Municipal Insurance Association of British Columbia

ERM can help you create or enhance a decision-making process useful to any number of pool issues. In part two of this presentation, we will be building off the foundational information discussed in the earlier session and conduct a discussion exercise to allow you the opportunity to put an ERM decision-making model into action in a smaller group setting.

POOLING BASICS: ACTUARIAL, FINANCIAL, AND UNDERWRITING FOR POLICYMAKERS, *CONTINUED*

Joel Kress, Director of Special Projects, Association of Governmental Risk Pools

A continuation of the previous session.

6:00 PM – 10:00 PM

BUS TRANSPORTATION TO DOWNTOWN NASHVILLE

Buses will be running from 6:00 to 10:00 PM, taking AGRiP conference attendees to and from the Gaylord Opryland Resort and downtown Nashville. Hotel departure will be from the Magnolia Lobby. Downtown drop-off and pickup will be at the Court of Flags. A bus will be at either location every 20 minutes and the last bus from downtown will depart the Court of Flags at 10:00 PM.

TUESDAY, MARCH 8

6:00 AM

GROUP RUN/WALK

7:00 AM – 5:00 PM

INFORMATION DESK

7:30 AM – 8:45 AM

BREAKFAST

\$OURCE GAME OVERVIEW & FINAL RESULTS

Ann Conway, Managing Director, Maureen Stazinski, Senior Consultant & Julie Hagerstrand, Consultant, Towers Watson

In this concluding \$OURCE Game session, we will recap how the game works – including other practical applications – review the final results, and announce the winning team. All conference attendees are welcome to attend this session and learn about the game for future conferences.

9:00 AM – 10:15 AM

Keynote Presentation

ARE YOU READY FOR SPRING?

Rebecca Ryan, Futurist, Next Generation Consulting

America goes through long cycles that mimic those we see in nature – fall, winter, spring and summer. We are currently experiencing winter, but spring is coming. Are you ready for it? In this keynote presentation, Rebecca Ryan will address the cyclical nature of our economies, generational profiles, and

world view; and will help us identify the leadership skills and attributes of each cycle, asking the important question of "What kind of leader do we need right now?" Using these grounding concepts as a foundation, we'll explore ideas and outcomes from AGRiP's recent report *Thriving in Uncertainty*, including how technology, generational shifts, leadership changes, and catastrophic weather events are likely to impact the public entity pooling world and how best to prepare for the coming changes. Throughout the keynote presentation and more in-depth conversations that follow throughout the day, we'll match influencing trends with organizational needs and help pools identify what they need to watch for and how to manage through so many unknowns, who needs to be ready to lead through a shifting landscape, and how to prepare for spring.

10:30 AM – 11:30 AM

Concurrent Sessions

ON-SITE HEALTH CLINICS

Geoffrey Beauchamp, General Counsel, Delaware Valley Insurance Trust; Ben Baker, Chief Operating Officer, CareHere, LLC; & Stephen J. Fallon, Director of Employee Benefits Practice, Insurance Buyers Council

Hear one pool's experience with an employer-sponsored health center RFP process and learn about key aspects of the management agreement, launch of a new health center, and how to successfully manage an on-site health clinic to achieve maximum ROI.

MINORITY REPORT: PREDICTIVE POLICING

Chris Kogut, Principal and Consulting Actuary & Allison Van Steensburg, Consultant, Milliman

'Minority Report' is a film and TV series where a specialized police department apprehends criminals based on foreknowledge provided by psychics. As we move further into the technology age, advances in data analytics could be substituted for psychics and accelerate the imagined into reality. This session will be a (non) science-fiction thriller about the use of predictive analytics by non-insurance entities in the public entity arena.

FUTURING CONVERSATION: CATASTROPHIC WEATHER EVENTS

Rebecca Ryan, Futurist, Next Generation Consulting

We'll go deeper into a risk evaluation for pools from every angle – including social, technology, economic, environmental, and technology trends likely to influence pooling operations or the overall local government environment. Then, in a conversational format, we'll further explore weather trends and the potential for catastrophic weather events. What are the possible futures for pools sustaining such events within their membership (and those who dodge the CAT loss bullet), where are there common themes, and what sorts of things can pools do right now in order to prepare for any future?

POOLING BASICS: MANAGING RISK AND CLAIMS, AND GOVERNING POOLS

Joel Kress, Director of Special Projects, Association of Governmental Risk Pools

The second act in this two-part introductory series. This session will cover risk management, claims and litigation, and governance of pools – the three elements that really differentiate great pools. The session will conclude with an open Q&A amongst participants and presenters. Together with answering your questions, our goal is to send everyone back home with at least one good question, the answer to which will enhance your understanding of – and ability to – engage in leadership and governance of your pool. It is recommended that pooling basics attendees go to the *Effective Board Governance for Pools* session later on Tuesday.

11:45 AM – 12:45 PM

Concurrent Sessions

THE VALUE OF DATA MAPS

While data mapping might sound like a fairly operational matter, having good perspective on your pool's data, including where it resides and how it is used, is more and more a key consideration for the pool's top executives and Board leadership. This session will provide insight into the data mapping process and why it is so valuable as pools move toward being technology-enabled organizations.

FUTURING CONVERSATION: LEADERSHIP

Rebecca Ryan, Futurist, Next Generation Consulting

Shifting leadership within pools and their public entity members is a given, but the exact timing and influences of those leadership changes remain unknown. With so many uncertainties, how can a pool adequately prepare and address leadership needs? This conversational session will follow themes from the morning keynote, going deeper into the specific trend of leadership changes and possibilities pools face. We'll take another holistic look at all sorts of influences to evaluate where and how they connect with leadership challenges and opportunities. Together, we'll identify commonalities and solutions to pursue.

POOLING BASICS: MANAGING RISK AND CLAIMS, AND GOVERNING POOLS, *CONTINUED*

Joel Kress, Director of Special Projects, Association of Governmental Risk Pools

A continuation of the previous session.

1:00 PM – 2:15 PM

LUNCH & ANNUAL MEMBERSHIP MEETING

2:30 PM – 3:30 PM

Concurrent Sessions

YOU'VE BEEN HACKED – NOW WHAT?

Reg Harnish, Chief Executive Officer, GreyCastle Security

The pace of databreaches has reached untold proportions. Your pool's intellectual property, data and information have never been at greater risk – it's not if, but when, your pool will be hacked. Strategizing, developing and maintaining an effective Cyber Incident Response plan and team has never been more important and is a key good governance consideration for any Board. This session will present an in-depth look at several recent databreach victims and how their incident response processes led to effective business resumption or epic failure, outlining best practices for pool's responding to cyber incidents.

FUTURING CONVERSATION: TECHNOLOGY

Rebecca Ryan, Futurist, Next Generation Consulting

It's hard to identify a more meaningful trend than technology and the influence it has on all our lives, our workspace, the risk profile of public entities, and our pooling operations. It seems that as fast as we identify one technology trend and begin to address it, there are two more beginning to have influence! This session will engage participants in a conversation about the wide array of pooling influences and then zero in on the impact of technology. What does a technology-enabled future look like and how dramatically will it change what pools do? How can pools prepare for changes that are happening so quickly, and outpace even our wildest imaginations? We'll work together to identify which technology trends are worth watching, how to keep up, and how to prepare.

EFFECTIVE BOARD GOVERNANCE FOR POOLS

This session complements the Pooling Basics track and is focused on pool governance. Do you want to be part of an exceptional governing pool? If you're a pool Board member, key traits involve forging a partnership with pool management by communicating forthrightly and understanding a mutual commitment to mission. Likewise, pool executives need to provide the Board the right tools to make sound decisions, and welcome differing points of view to be heard. This session will give you valuable context and practical advice about improving the governance function, whether you are a Board member or pool executive.

ALICE WORKPLACE VIOLENCE TRAINING

ALICE (Alert, Lock-down, Inform, Counter, and Evacuate), developed after Columbine, teaches research-based strategies to survive a life-threatening event. ALICE has been adopted in more than 40,000 schools, universities, businesses, non-profits and healthcare institutions, and the program is emulated by federal and state agencies including the Department of Homeland Security, the Department of Education,

FEMA and state governments across the country. In this session learn strategies that empower and authorize individuals with proactive responses that utilize existing infrastructure and human action to increase survivability, and consider implementation issues for introducing the program across various pool member sites.

3:45 PM – 4:45 PM

Concurrent Sessions

A PREPPER'S RESPONSE TO THE INCIDENT RESPONSE GO-BAG

Reg Harnish, Chief Executive Officer, GreyCastle Security

Even if you've implemented a best practice-based cyber response plan, you have to be thinking "then what?" This session will focus on tactics, techniques, and tools your pool should have on hand to contain, counteract, and continue after a breach. Appropriate for pool staff and those more directly involved in pool operations, the materials in this presentation will highlight the essential tools pools should have at the ready to address a cyber incident and successfully come out the other side.

FUTURING CONVERSATION: NEW GENERATIONS IN THE WORKPLACE

Rebecca Ryan, Futurist, Next Generation Consulting

The influence of Millennials in the workplace is becoming more and more familiar, and pools are adapting their cultures and environment accordingly. We're still in the early stages of these changes, though, and the next generations will continue to push pools even faster into altogether new operating models. Participants in this session will go deeper into a risk evaluation for pools from every angle, then hone in on the changes and challenges presented by new generations in the workplace — including at pools, within pooling member entities, and in the broader insurance environment. In a conversational format, we'll explore opportunities and threats, and identify next steps likely to help all pools prepare for any number of possible futures.

EFFECTIVE BOARD GOVERNANCE FOR POOLS, *CONTINUED*

A continuation of the previous session.

ALICE WORKPLACE VIOLENCE TRAINING, *CONTINUED*

A continuation of the previous session.

WEDNESDAY, MARCH 9

7:00 AM – 12:00 PM

INFORMATION DESK

7:30 AM – 9:00 AM

BREAKFAST ROUNDTABLES BY LINE OF COVERAGE – WORKERS' COMPENSATION, PROPERTY & LIABILITY, HEALTH

9:15 AM – 10:45 AM

WHAT YOUR GENERAL COUNSEL WISHES YOU KNEW

Nan Hundere, General Counsel & Lamar Sawyer, Executive Director, Texas Association of Public Schools Property and Liability Fund; Suzie Paulson, Associate General Counsel & Jon Woods, Chief Executive Officer, Oklahoma Municipal Assurance Group; Steve Wade, General Counsel, Montana Municipal Interlocal Authority; & Barb Zemlock, Insurance Boards Legal Counsel, County Commissioners Association of Pennsylvania

There is no absolute among pool members when it comes to the general counsel's job description and role – the GC might be involved in managing internal HR issues, interpretation of coverage matters, overseeing in-house defense work or external defense counsel, participating in Board governance, and more. And interactions can further vary based upon whether the GC role is in-house or contracted! In this spirited conversation between pool general counsel and executive directors, learn what general counsel wishes administrators and governing Boards knew about their role, common questions and frustrations, and how building a better relationship with your GC can impact pool operations and strategic foresight.

11:00 AM – 12:30 PM

Keynote Presentation

DE-ESCALATION STRATEGIES FOR LAW ENFORCEMENT

Chuck Wexler, Executive Director, Police Executive Research Forum

Recent incidents in Ferguson, Baltimore, and many other cities have raised questions about local police agencies' policies and training on use of force. Pre-escalation and de-escalation tactics and strategies for responding carefully to incidents help increase the safety of officers and community members alike. This session will discuss the strategies that can help prevent situations from escalating to the point where force is used either by or against officers.

Conference Ends

AGRiP is still finalizing the educational program. Conference content and timing are subject to change.

QUALITY EDUCATION INITIATIVE (QEI) PATRONAGE

AGRIp's Quality Education Initiative (QEI) Patrons make valuable investment in the public entity risk pooling community. Because of their demonstrated commitment to the pooling movement through financial support of AGRIP's educational mission, we can provide high caliber educational content and speakers at AGRIP conferences while remaining within financial reach of our members. We can also continue to expand our educational reach beyond conferences. Please take the time to learn more about their services to pools at www.agrip.org/qei.

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